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TAMBO SAYS ANC TO CONTINUE ARMED STRUGGLE

FL211600 Havana Radio Progreso Network in Spanish 1100 GMT 21 Jul 87

[Text] Oliver Tambo, leader of the African National Congress [ANC] has said in Havana that his organization is maintaining armed struggle as its first option. Tambo, who arrived in our country yesterday, also denounced Pretoria's plan to assassinate ANC leaders and members outside of South African territory.

In response to journalists' questions, he said there are many white South Africans outside the government who are currently struggling to eliminate the disgraceful apartheid system.

NATIONAL ASSEMBLY REVIEWS AGRICULTURE MINISTRY

FL181848 Havana Television Service in Spanish 0000 GMT 18 Jul 87

[Discussion between Fidel Castro and delegates of the National Assembly of the People's Government [ANPP] on the Agriculture Ministry report; 18 July, place not given -- recorded]

[Text] [Begin recording] [Unidentified delegate] There are difficulties with wholesale prices at the grass roots level: that is, among peasants and in cooperatives. Some prices do not encourage production. We wanted to refer to some. We are not experts in the matter but maybe the reason why these prices exist can be explained to us. For example, we believe that sweet potatoes, yuca, malanga, plantain production do not have encouraging prices. Yuca is at 4 pesos a quintal, sweet potatoes at 3.50 as opposed to cucumbers which is at 6.50 and squash at 5. One considers it from our viewpoint as consumer and sometimes asks what else do the people want. We know that at provincial levels there is coordination between the Agriculture Ministry and the State Committee for Prices. I believe this should be considered more closely at the national level when they are submitted.

[Castro] We should try for prices to correspond to costs in general, according to the productions we want to encourage, development policies for certain harvests, and attempt to use them as best as possible. Prices have to change, especially those for vegetables. That is included in the document, the idea of one price in one season and a different price during another season. Potatoes sold recently cost less than potatoes sold in August or September after storage in cold rooms for many months due to labor costs and all that. Also prices are used -- in this case I am referring to retail prices -- to regulate distribution because if it is not regulated in that way goods disappear 2 minutes after they are put out.

I believe that our society should adapt better to the principle of price fluctuations, including retail prices. Wholesale prices can also fluctuate up and down. We can cite an example. Tomatoes are being distributed in the month of August, [corrects himself] June, and July. Those tomatoes have been bought at 30 centavos and have been sold at 20 centavos. I am not going to say it would have been improper to set the price at 30 centavos. This is a time of the year when it is much more difficult to produce tomatoes. There are more risks of pests, more weeds grow, heat, there are a number of factors. But the case is that there are relatively good weather. It was good for tomato harvesting because it was dry but it was bad for the rest of agriculture.

[ANPP Delegate Elias Gonzalez] We believe that problems in agriculture lie in its yield. That is the fundamental basis and we need to solve the agricultural problems from that standpoint. The state needs to demand agricultural production enterprises to be profitable; not only to have economic profits but also to contribute a larger volume of goods to the population. If all those millions of pesos in agricultural losses were shown in volume of merchandise the population would have received many more hundreds of quintals.

I believe this is the road we have to take and cooperatives too. Can you believe that in the recently created peasant sector, over 500 cooperatives in our country are not profitable. That is a very serious problem the ANAP [National Association of Small Farmers] has to work on urgently because state enterprises have a budget the state gives them. But cooperatives need to have profits because if not they disappear. It is impossible to continue like that and they do not have any other resources. The state can be generous and those debts can be canceled or can be set at a longer term but that does not solve everything. The only things that can solve our country's situation are economic efficiency and better yields.

[Announcer] During today's session the subject of agriculture was discussed all morning long and during part of the afternoon session. The meeting agreed to consider the proposal to study carefully agricultural workers' wages and its influence in labor stability. Also, the proposal of Deputy Felix Duque regarding yields and production during the current drought conditions was approved. It pointed out the need of the Water Preservation Institute, and Sugar and Agriculture Ministries to work together.

[Matanzas Delegate Felix Duque, in progress]...for Sugar and Agriculture Ministries, in coordination with the Water Preservation Institute, conduct a research aimed at defining the most appropriate irrigation techniques according to the characteristics of soil, harvests, and other factors, to insure a better use of resources used in this area; mainly water, energy, and labor force.

[Castro] That was a point we discussed at length at the Communist Party of Cuba Central Committee. It was discussed extensively and in depth but unfortunately we cannot continue here. It included the situation in Pinar del Rio. We went over it almost province by province.

We talked about Havana's tragedy. We were talking in futuristic terms regarding that situation. We considered impounding water, transporting it from far away, recovering water used in the city, treating it, irrigating the interior. We were looking into the problems in Matanzas, the basins, filtering; in sum, this was discussed at length at the Central Committee.

At this time we have a true disaster. Nobody knows the repercussion this year's situation will have. It is worse than in previous years and the accumulated effect of 4 years of difficult conditions is present. I believe the population needs to know about the situation. Camaguey's circumstances in the spring was a disaster. I believe that had never happened in Camaguey's history. Tens and tens of water trucks had to take water to the people. The situation in Havana is critical. The Central Committee not only analyzed all this but also the rebuilding of the network in the capital that wastes large amounts of water. A colossal work is ahead regarding this.

[Havana Delegate Rafael Sanchez] We propose, if it can be included as proposal within the document or as recommendation for other organizations, that the organs in charge analyze the comprehensive program of services to each man, including salaries, housing, work safety and health, lunch rooms, self-consumption -- mainly for lunch rooms not for homes, although if it is possible, we can include it for homes. So I propose a comprehensive program for services for manual agricultural laborer.

[Castro] Flavio, I believe the comrade's suggestion is very good. I also believe, the agriculture sector has been struggling from the time in which self-consumption did not exist. Self-consumption was an important step forward. As I have said before, at times it was misused because it was affecting the main harvests to guarantee many other things that the lunch rooms needed. That is important. Housing is very important. It is a philosophical principle. If the revolution forgets the countryside and forgets to create the conditions, not only the material conditions but income, the time will come when we will not have people working there. [end recording]

4TH PARTY PLENUM ENDS; DOMINGUEZ EXPELLED

FL201223 Havana Tele-Rebelde Network in Spanish 1100 GMT 20 Jul 87

[Text] After 3 days of sessions, the fourth plenum of the Communist Party of Cuba [PCC] Central Committee concluded on Saturday afternoon. The plenum approved the National Control and Revisions Committee's report for the current period. As noted earlier, this important meeting of the country's top political leadership headed by Commander in Chief Fidel Castro Ruz and other Politburo and Secretariat members was devoted to a detailed analysis of the process to rectify errors and negative tendencies now underway. The plenum made a positive assessment of the effort thus far and was encouraged by the results obtained by the workers and the people as a whole in this connection, under the leadership of the PCC and with the active participation of the government, administrative organs, labor movement, youth, and mass organizations.

[Words indistinct] by Commander in Chief Fidel Castro Ruz, who noted that this meeting, like the recently concluded National Assembly sessions, was very valuable because it allows us to see what the prospects are and dispels all doubts we are on the correct road. Fidel talked about the expertise the party and the revolution have been accumulating, and called for greater vigilance and exigency. This, he said, has been the experience of honest men, of revolutionaries, which demonstrates that we must always march along with the people, winning their support day after day in the search for solutions to problems, doing our utmost for the country's development, and preserving the exemplarity and standards of the austere life of party cadres and members.

We must measure ourselves, Fidel said, not by what we have done for the people, which has been a great deal, but by all that we could have done and yet have been incapable of accomplishing. He reiterated it is important to keep advancing very soberly, very firmly, and very realistically, without regressing to stages already overcome and without making concessions to demagoguery or extremism. Never before, he concluded, have I ever been convinced of something as I am now -- that we are talking the right path.

Prior to its conclusion, the fourth plenum of the PCC Central Committee unanimously decided to expel Luis Orlando Dominguez. This had already been agreed to by the community-based organization to which he belonged.

Hails Progress

FL201940 Havana Radio Periodico del Aire in Spanish 1600 GMT 20 Jul 87

[Excerpts] After 3 days of sessions, the fourth plenum of the Central Committee concluded on Saturday afternoon. [passage omitted]

The plenum emphasized that the progress made so far in the rectification process does not mean that a definitive solution to the country's problems has been found. In many ways, the process of solution is just beginning; therefore, it is necessary to persevere with tenacity, serenity, and firmness on the path that has been chosen.

In this regard, the plenum also emphasized that the present process goes beyond a simple correction of the errors and negative tendencies that occurred in recent years; it is actually a process of historical change that goes much deeper. It also implies rectifying other previous negative experiences and finding at the same time, creative solutions to old and new problems being faced by the country.

The fourth plenum of the Central Committee heard and discussed the reports submitted by the PCC first secretaries of all the provinces and the special municipality of the Isle of Youth.

On the basis of these reports and the opinions expressed, the plenum carried out a critical analysis of the status of labor discipline and the organization of labor and wages in the country's main investments and production centers.

This analysis revealed that the main errors reported at the beginning of the present process have been eliminated, but that some problems persist. It also revealed there is more order, strictness, and discipline in the main branches of the economy.

It was noted that a factor of special political and ideological importance is the revitalization of volunteer work taking place throughout the country. There was ample discussion of the application of the cadre policy in the party, the administration, and other institutions in the country. Emphasis was placed on the unpostponeable need to correct the deficiencies and limitations that still exist in that area.

VEIGA, LEZCANO REVIEW CONSTRUCTION MINI-BRIGADES

FL211356 Havana Tele-Rebelde Network in Spanish 1100 GMT 21 Jul 87

[Text] Roberto Veiga, member of the Politburo and secretary general of the CTC [Central Organization of Cuban Trade Unions], and Jorge Lezcano, member of the PCC Central Committee and first secretary of the PCC in Havana, attended the review of Havana mini-brigades yesterday.

[Begin Lezcano recording] I am sure I am not mistaken in saying that one of the most obvious achievements, one of the most important results of the rectification process we have undertaken is no doubt the resurgence of the mini-brigades. [end recording]

It was reported at this meeting that the first 5-story building constructed after the mini-brigades were reinstated will be presented on 24 July.

The best construction workers and mini-brigades of Havana were presented with white hard hats as awards. Several factors were taken into account for these incentives such as quality, labor discipline, service to man, and volunteer work.

BARBADOSVENEZUELAN MINISTER PLEDGES ENERGY DEVELOPMENT AID

FL170254 Bridgetown CANA in English 2044 GMT 16 Jul 87

[Text] Bridgetown, Barbados, July 16, CANA -- Venezuela will provide assistance to Barbados to develop its energy resources, especially natural gas, Venezuelan Foreign Minister Simon Alberto Consalvi said here today.

Consalvi, who is accompanying Venezuelan President Jaime Lusinchi on an official three-day visit, told CANA that the pledge was made to Barbados Prime Minister, Erskine Sandiford at a breakfast meeting with the Venezuelan leader. No details were given.

He said the possibility of Venezuela becoming a shareholder in the six-year-old cargo carrier Caribbean Air Cargo (Caricargo), was also discussed during the talks.

Caricargo, a joint venture between Trinidad and Tobago and Barbados, recently scaled down its staff at both its Piarco operations in Trinidad and at the Grantley Adams Base in Barbados.

Venezuela, Consalvi said, was anxious to increase tourism and trade links with Barbados and the rest of the English-speaking Caribbean. He said possible cooperation in maritime cooperation [as received] between Barbados and Venezuela was discussed, but did not elaborate.

The Venezuelan foreign minister also [said] that the two leaders also reviewed a U.S. 14 million-dollar loan to Barbados for the construction of about 500 houses. He said the Venezuelan delegation was hoping to tour the site for the housing development on the west coast.

Later Lusinchi was warmly welcomed in Spanish by Barbadian students of the Venezuelan Institute of Culture and Cooperation, just outside the capital, Bridgetown. The Venezuelan leader said it was "with pride" that he listened to the fluent Spanish by two of the institute's 300 students, Dr. John Gillmore and Martin Boyce, and praised the work of the centre and its coordinators, Corina Russian.

Barbadians and Venezuelans, Lusinchi said, both lived in the same small Caribbean space and there was a need, in addition to forging closer economic and political ties, to cement cultural links.

"....This Caribbean environment compels us to unite. In so far as we understand each other we will achieve more unity," he told the students in Spanish.

He repeated earlier statements that Venezuela had "no hegemonic vocation," but was "greatly interested" in the Caribbean and deepening friendships with its English-speaking neighbours.

GRENADAOPPOSITION RELEASES PROPOSED PARTY DOCUMENT

FL102332 Bridgetown CANA in English 1108 GMT 10 Jul 87

[Text] St George's, Grenada, July 10, CANA -- Grenada's six-member parliamentary opposition has released a 28-point document outlining the principles to govern its proposed party. The document was released at a press conference presided over by opposition leader Phinsley St Louis and former attorney-general Dr Francis Alexis.

Most members of the opposition group defected from the ruling New National Party (NNP) of Prime Minister Herbert Blaize whom they have accused of being autocratic.

St Louis said that the principles were drawn up at a meeting held last Sunday by the opposition parliamentarians and a group of supporters in the rural area of Grenville.

According to the document, the group agreed "to establish a vibrant, popular, political organisation, which will reflect our people's interest at all times". "We are committed to develop an organisation, free from the dominance of any individual or clique, free from personality cult, and free from the greed for power", it said.

The document outlined the opposition member's commitment "to foster good and humane government with high standards of integrity; and accountability to the people of Grenada, Carriacou, and Petit Martinique". It also pledged their commitment to promote the economic, spiritual, moral, cultural and educational development of Grenada and for the taxation system of government to be equitable, fair, reasonable and sensible.

"We commit ourselves to the system of parliamentary democracy in which our people are encouraged to participate in decision-making", it said. "We pledge to work steadfastly to the goal of national unity, to consult our people on major national matters, to be guided by their wisdom and to benefit from their experience", it added.

The opposition group affirmed their commitment to building an independent judiciary to become the bulwark in protecting the rights and freedoms of nationals. "The judiciary must never be subjected to any external factor or agent in administering the due process of law. There must be equality before the law, justice for all, and the rule of law", it said

The document referred to the belief that all members of the ruling party sitting as elected members in parliament should be given fair opportunity to participate in running the government.

Before leaving government, some of the former New National Party members had accused Blaize of not allowing elected parliamentarians to participate in the decision-making process.

St Louis spoke of being confident that the proposed party would emerge victorious in both local government and national elections whenever they are called. He also said that the party in the making would encompass the lives of all patriotic Grenadians wishing to see the country go forward.

New Party Formed

FL201345 Bridgetown CANA in English 2154 GMT 19 Jul 87

[Text] St George's, Grenada, July 19, CANA -- The six opposition members in Grenada's parliament today announced the formation of a new political party, the National Democratic Congress (NDC).

A spokesman for the group told CANA that the name was agreed on at a meeting in the rural parish of St Andrews. Former Education Minister George Brizan is tapped to lead the new party. Brizan was one of three ministers who resigned from the New National Party (NNP) administration in April citing differences over economic policies.

Two of the three other opposition MP's are also ex-NNP members. Informed sources said that the first convention of the new party will be held later this year to elect an executive.

About two weeks ago, the opposition members agreed on a 28-point declaration of principles to chart the course forward for the party. In the document, the opposition members affirmed their commitment to parliamentary democracy, and to promoting a group free from the domination of any individual.

HAITISTRIKE PARALYZES CAPITAL FOR 3D CONSECUTIVE DAY

FL212150 Port-au-Prince LE NOUVELLISTE in French No 33.034, 18-19 Jul 87 pp 1, 16

[Excerpts] Port-au-Prince was completely paralyzed again on Friday for the 3d consecutive day, because of the general strike aimed at driving the National Government Council from power. In the provinces however, according to the correspondents of local radio stations, neither Cap-Haitien nor Conaives -- Haiti's second and fourth largest cities, respectively -- adhered to the strike. [passage omitted]

On the occasion of the reopening of the headquarters of the Autonomous Central of Haitian Workers -- the banning of which, on 22 June, was partly the cause of the current crisis -- Father Bertrand Aristide, one of the main spokesman of the Committed Church [l'Eglise Engagee], termed the construction of barricades "active nonviolence."

While the CNG "sets the people's flesh on fire by firing upon them," the people content themselves with setting fire to barricades, he said, pronouncing himself in favor of a total strike, with no cars in the streets. [passage omitted]

GOVERNMENT RENEGOTIATING FOREIGN DEBT FOR 3D TIME

PA202300 Mexico City EL DIA in Spanish 15 Jul 87 p 1

[Article by Luz Arcelia Camarena]

[Text] Francisco Suarez Davila, assistant secretary of finance and public credit, announced yesterday that for the third time Mexico's foreign debt will be renegotiated, mainly by converting debt in capital. Suarez Davila said that Mexico has followed its own path in this process in accordance with the country's circumstances and needs, which it does not intend to apply to any other nation.

As a participant in the second farming economy seminar, Suarez Davila said that in 5 years Mexico's public and private debts have increased by 8 billion [currency not specified] in contrast to 76 billion in the previous decade, while exports have increased by 25 percent, reducing the percentage of the debt service through "active" means. All in all, he said, "once again we are on the path to recovery, with more than 13 billion in international reserves."

Suarez Davila also asserted that Mexico has the elements to improve its condition because upon initiating this third phase of the debt renegotiation the market has acknowledged a discount on Mexico's old debt.

Suarez Davila also said that new mechanisms have emerged because there is considerable interest in converting the old debt into capital. "The recirculation of petrodollars has turned into the old debt."

He said that debt capitalization plans are open to any sector that fills national priorities, as in the cases of tourism and car parts. "There are no established limits; it all depends on the demand that may exist," Suarez Davila said, adding that they [the authorities] will watch over the process.

VENEZUELAN OIL MINISTER MEETS WITH DEL MAZO

PA202127 Mexico City XEW Television Network in Spanish 1600 GMT 19 Jul 87

[Text] Mexico will increase its oil export floor beginning in July. It will increase from 1.3 million barrels per day to 1.6 million barrels per day, with a maximum variation of 2 percent. This was reported by Alfredo Del Mazo, secretary of energy, mines, and parastate industry, in Puerto Vallarta at the conclusion of a meeting with Venezuelan Energy Minister Arturo Hernandez Grisanti.

Del Mazo said that the seasonal variation of oil supplies will contribute to the stabilization of international market prices. Meanwhile, Hernandez Grisanti said that the oil market's upward price trend is not the result of isolated events like the Persian Gulf conflict, but of OPEC policy and cooperation between oil-producing nations.

MINISTRY PROTESTS NICARAGUAN BORDER INCIDENT

PA220222 San Jose Radio Reloj in Spanish 0108 GMT 22 Jul 87

[Text] In protesting the violation of our territory and the armed attack against a border post, our government has asked the Sandinist regime to investigate and punish those who have attacked the sovereignty of our country.

A protest note was delivered this afternoon. It refers to the incursion by two EPS members on 14 July in the Delta 7 area. In view of this serious and unjustified attack against Costa Rican sovereignty by [words indistinct] in which the EPS has full control, the Costa Rican Government presents to the Nicaraguan Government a strong protest, the note says.

The Costa Rican Government is worried over the fact this incident took place practically right after the Nicaraguan Government -- through President Ortega -- requested the creation of a demilitarized zone, the Foreign Ministry added. It also pointed out that all of Costa Rican territory is demilitarized, as is public knowledge, and that Nicaragua should go ahead and demilitarize its own territory.

The Foreign Ministry also warned that Costa Rica is firmly convinced the establishment of the area in question will not guarantee any solution to the political, economic, and social problems that constitute the basis of the incident that is the reason for the protest.

The fact that territorial violations have taken place that endanger the lives of Civil Guards through EPS' mortar use on the eve of the Central American presidential summit, is an additional reason for concern. The protest note adds that the Costa Rican Government feels this incident seriously contradicts the spirit of trust and the willingness for peace that should prevail around the meeting. The Foreign Ministry delivered the protest note to Nicaraguan Ambassador to Costa Rica Claudia Chamorro, and sent it to the Nicaraguan Foreign Ministry through our embassy in Managua.

GUATEMALA'S QUINONEZ MEETS ARIAS, MADRIGAL

PA161510 San Jose Radio Reloj in Spanish 1200 GMT 14 Jul 87

[Text] Guatemalan Foreign Minister Mario Quinonez has said Guatemala wants to promote a mechanism of consultation prior to the Central American presidential summit. The Guatemalan foreign minister, who arrived in Costa Rica yesterday morning, met with President Oscar Arias and Foreign Minister Rodrigo Madrigal for 2 hours.

Quinonez said the purpose of his visit was to obtain the Costa Rican Government's view concerning such a consultation mechanism prior to the presidential summit on 6-7 August. The Guatemalan foreign minister said this consultation mechanism could be established in one or several meetings of technicians and one meeting of foreign ministers. However, he said all the governments must agree on this, this is the reason for his tour which began with the Contadora countries and now continues with the Central American countries.

Quinonez said another reason for his visit was to discuss the role Contadora will play regarding the consultation mechanism. He said some of the Contadora countries have said they are willing to help the search for peaceful solutions so long as this is requested by the Central American countries. Nicaragua has said that it will only attend foreign ministers' meetings if they are convened and include the participation of the Contadora Group. According to President Daniel Ortega, the Sandinist regime believes nothing beneficial is obtained from the foreign ministers' meetings and this is why Nicaragua will not attend such meetings if Contadora is not present.

Foreign Minister Mario Quinonez said he does not believe there are any obstacles to the presidential summit so the 6-7 August dates remain firm. Nevertheless, Quinonez admitted the Salvadoran Government has conditioned its participation in the meeting to the holding of a foreign ministers' meeting and the drafting of a conciliation document based on President Oscar Arias' proposal. Nicaragua has another demand: It will not attend meetings that are not convened by Contadora and that do not include its participation. He said he will discuss this with the Sandinist government.

Asked about President Arias' views about Guatemala's efforts, Quinonez said that President Arias wants to promote his peace plan to achieve a peace formula for the region. Quinonez met at noon with Foreign Minister Madrigal Nieto, and after having lunch with him the Guatemalan foreign minister met with President Arias. Shortly before 1700, he continued his trip to Managua where he met last night with Foreign Minister Miguel D'Escoto and President Daniel Ortega.

MANAGUA ANNOUNCES ICJ LAWSUIT POSTPONEMENT

PA220355 San Jose Radio Reloj in Spanish 0125 GMT 22 Jul 87

[Text] Managua -- Nicaragua has postponed, without saying for how long, the presentation of formal charges against Costa Rica in its lawsuit before the International Court of Justice [ICJ] at the Hague, according to a report in Managua on the state-run television.

The source said the Sandinist government made this decision so as not to hinder preparations for the Central American presidential summit slated to take place in Guatemala on 27 [as heard] August.

The highest UN international court had given Nicaragua until today to present its claim against Costa Rica.

BLANDON COMMENTS ON MILITARY CAMPAIGN, OCHOA

PA210051 San Salvador Radio Cadena Sonora in Spanish 2030 GMT 17 Jul 87

[Report on news conference with General Adolfo Onecifero Blandon, chairman of the Joint Chiefs of Staff of the Salvadoran Armed Forces, by unidentified reporters on 17 July; place not given -- passages within quotation marks recorded]

[Text] [Announcer] We will broadcast for you the statements made today by General Adolfo Onecifero Blandon, chairman of the Joint Chiefs of Staff of the Armed Forces. During a news conference of the high command of the entire Joint Chiefs of Staff of the Armed Forces, he gave ample reports on the operations and the analyses made by the Armed Forces regarding the guerrillas. Among other things, Gen Blandon said:

[Blandon] "For the moment, we are of the opinion that the subversive's morale is rather low. It has had serious problems especially concerning the leadership of its terrorist cadres, mainly in the northern region of the country. Very soon we will make an evaluation with all the commanders to determine whether this operation can continue or whether we will put an end to it, as had been previously planned in the previous 60 days.

"The Monterrosa campaign has also foiled the subversives' intentions to implement their strategic plan of mobilizing the masses in the capital. You all have noticed the last incidents in the capital, where some of the country's labor unions -- infiltrated and following the strategy of Marxist groups in the country -- are causing problems in the capital with the intention of destabilizing the government, of discrediting it, and of creating an atmosphere of uncertainty, mistrust, and insecurity among the population.

"However, the groups that meet to cause disorder in the streets of San Salvador are, in my opinion -- and perhaps you have had the opportunity to verify this; they are not numerous -- and of those groups that meet, not all do so with the intention of causing the violent problems that occur, because I still believe there are some people who attend with the workers' best interests in mind. But these are the problems being utilized by the terrorist groups, those problems derived from the difficult economic situation which the country is going through and which turn into social problems. The political problems also benefit the terrorist groups. That is why, in my opinion, in this historic moment we are going through, all Salvadorans should think about our country, above any other consideration. The government should govern for the entire country, and not for a single party. The political parties ought to conduct civic campaigns to win the goodwill of the people and present alternatives that will save the country instead of, like they are doing right now, conducting slander campaigns and spreading rumors that serve only to confuse the civilian population. The professional unions, the productive sectors of the country, should also sacrifice, because we cannot depend on others to help us. We Salvadorans are the ones who must sacrifice first to get this country out of the crisis.

"The people have held civic demonstrations, and we must respond to those people. The terrorist groups have made many insinuations to the population, attempting to incite them to a rebellion, to an uprising. The people have not responded. You have seen what their response was a few days ago to the strike that the terrorists decreed for the country. The people went to work on foot, whichever way they could. The Armed Forces also made an effort and transported more than 360,000 workers during the 3 days to their various workplaces.

"Aside from the tactical operations we are conducting throughout the country, we are always on the lookout, and we come to the aid of the people when they need it, and we gave proof of that during these last few days."

"In addition to our permanent operations, you know we continue to meet the most pressing needs of the population; we have continued the 'United to Reconstruct' campaign. Unfortunately, natural disasters as well as political and economic problems have prevented us from doing our best within that campaign. However, we have achieved more than 90 percent of our goal.

"There is another important aspect I wish to point out: I am filled with optimism when an organization such as ANDES [National Association of Salvadoran Teachers] decrees a national strike and only 10 percent of the teachers in Cojutepeque, 50 percent in Santa Tecla, and 90 percent in the capital -- which is experiencing very special moments these days -- did not work. In the rest of the country, 100 percent of the schools were open. I repeat, this fills people involved in this struggle with optimism, because I believe today's teachers realize their great historic responsibility, the great commitment they have to the country, the great commitment they have to the new generations to explain what democracy means, what it means to live in a country enjoying liberty and justice."

[Announcer] Gen Blandon also commented on statements by Colonel Sigifredo Ochoa Perez that he will present evidence to the Armed Forces showing there is corruption.

[Blandon] "[Words indistinct] the colonel said he has evidence and will give it to the defense minister. I find this interesting and hope he will do so. We know that [words indistinct]. Now, as for Col Ochoa's entry into politics, he is exercising a right specified by the Constitution. Once Ochoa was discharged, he registered in a political party and is now involved in politics.

"I believe we are trying to establish democracy in the country. We need political parties which can really compete against each other. If he is capable of getting the support of a political party that can compete and presents itself as an option for the country, I believe democracy would be strengthened."

[Announcer] When asked about right-wing statements that the war is good business for the Armed Forces and the government and that the government is exerting pressure to ensure that the war continues, he said:

[Blandon] "I believe those people who make these kinds of statements should follow the example of Col Ochoa, who says he will present evidence to the defense minister. I urge these people to emulate Col Ochoa.

[Reporter] "General, however, Col Ochoa Perez said that in presenting the evidence [words indistinct].

[Blandon] "Col Ochoa must realize this is a very serious and responsible high command. At no time will there be reprisals taken against someone who presents proof of something that we really want to clarify before the people and the entire world."

[Announcer] In commenting on yesterday's incidents involving a helicopter that crashed, in which six U.S. citizens were killed and another survived, Gen Blandon said he hopes this will teach a lesson. He believes this could make the United States heed the requests he made during a visit to Washington, where he met with various sectors of the U.S. Government to obtain aid and replace all obsolete war materiel. Helicopters are among those units that could be replaced, said the chairman of the Joint Chiefs of Staff.

FMLN INFLECTS 129 CASUALTIES 12-18 JULY

PA202258 (Clandestine) Radio Venceremos in Spanish to El Salvador 2300 GMT 19 Jul 87

[Text] No, gentlemen gorillas, you no longer deceive anyone -- well, almost anyone. The Pentagon officials are the only ones who believe the paper victories you talk about.

A total of 129 casualties between 12 and 18 July specifically show the victories obtained by our revolutionary army.

Yes, gentlemen of the top command, 129 casualties, including dead and wounded, were inflicted between 12 and 18 July. To these 129 enemy casualties we will have to add the 6 Yankee advisers who were killed when the helicopter they were in mysteriously took off. These are deaths that occurred within the framework of the open liberation war that our people are waging against the Yankee administration's interventionist policy.

The week of 12-18 July was one of strategic victories, if we take into account the resounding success of the transportation stoppage. Our General Command called for this stoppage, and our units carried it out between 13 and 16 July. It was a week of victories if we take into account the great effort made by the Armed Forces top command when it mobilized troops [words indistinct] to make a show of strength that was completely ineffective when our people humiliated the ridiculous Walking Plan [Plan Caminante], and our units dealt harsh blows to it.

In this week of victories, we recovered the following war materiel from the enemy: 100 cartridges for M-16 rifles, 2 hand grenades, 3 revolvers, 1 9-mm pistol, military equipment, many rounds of ammunition, and other supplies. We also damaged an enemy helicopter in El Jicaro in Chalatenango Department. We completely destroyed six military trucks loaded with troops. We blew up a bridge in Jucuapa, Usulután Department.

The sabotage against the war economy carried out by our units include the blowing up of 16 pylons and 15 transformers. We also sabotaged 3,000 coffee plants at Flor Amarilla farm and the Sutanilla farm installations. This farm is owned by the oligarchic Garcia Prieto family and is located in San Miguel Department. We partially destroyed Los Frailes bridge on the Coastal Highway in Jiquilisco Jurisdiction, Usulután Department. In addition, within the framework of the transportation stoppage, our urban commandos seized two vans and a private vehicle in the capital. After the stoppage ordered by our General Command concluded, our units sabotaged a Route No 7 bus because the owners did not abide by the order not to circulate as long as the transportation stoppage lasted.

According to our reports, we also staged three ambushes during this week. We ambushed military convoys, and this resulted in several casualties inflicted on the puppet troops.

We also dealt three harsh blows with attacks on towns and built three barricades on the country's main roads. The incursions in various villages and towns included an attack on Zacatecoluca, La Paz Department, on 15 July.

[Words indistinct] on this week of 12 to 18 July, a period in which, we repeat, we inflicted a total of 129 casualties, including the dead and wounded, on the demoralized Christian Democratic troops.

COPREFA ON FMLN-FDR 'MANIPULATION' OF UNION

PA181807 San Salvador Radio Cadena YSU in Spanish 1600 GMT 16 Jul 87

[Coprefa Bulletin]

[Text] There can be no doubt that the FMLN-FDR is manipulating the leaders of the UNTS [Nation Union of Salvadoran Workers] in an effort to make them organize street demonstrations in the capital city. It is reported that the UNTS is participating directly because yesterday, during the march organized by the UNTS in the capital city, several members of the group threatened private vehicle and truck drivers, demanding that they cease to circulate and that they respect the orders of the FMLN terrorists.

This action on the part of the UNTS reveals the direct relationship existing between these organizations and national and international terrorism. The relationship became obvious when the UNTS began breaking the windshields of government and private vehicles, using instruments with embedded nails and clubs. All these actions were carried out by the so-called UNTS riot groups, who cover their faces with handkerchiefs and paint their faces in colors, thus complying with terrorist instructions to prevent their identification by the people who observe their actions.

Also fulfilling the strategy of the FMLN many of the participants in these demonstrations carry knapsacks with weapons, bludgeons, and material to cause fires and build barricades during the so-called revolutionary marches. The people should be aware that this type of abuse does not solve the country's problems; on the contrary, it heightens the economic, political, and social crisis all Salvadorans are confronting.

Meanwhile, a U.S. helicopter has crashed, killing six U.S. troops. The dead include four officers and two soldiers. Another person was injured in the crash. The tragedy took place last night when a UH-1H helicopter crashed in the vicinity of (La Champa) beach on Ilopango Lake, south of Cojutepeque. The helicopter was to transport a wounded soldier who was at the Armed Forces Military Training Center, CEMFA, in La Union.

Further reports indicate that four buses and two pickups were damaged yesterday by FMLN terrorists in various parts of the capital.

Among the buses is one from route 113, which was damaged on Independence Avenue near the flower clock. Another, from Route 38, was damaged near John Paul II Avenue. In the same sector, two pickups were also seriously damaged as they circulated on the avenue. A bus from Route 7 and another from Route 29 were also damaged near Centenario Park and Peralta Avenue in this city. Most of the vehicles had windows, windshields, and [words indistinct] completely destroyed, as well as punctured tires. According to the reports, all these actions took place during a UNTS demonstration yesterday morning in the capital city.

Meanwhile, an FMLN rebel group has murdered four civilians in various parts of the country. Two of the dead are German Ivan Flores and Humberto Saravia, who were killed in (El Cerrion) hamlet, San Rafael Oriente Jurisdiction, in San Miguel Department. In the same department, the rebels murdered Jose Eleuterio, who lived on La Perla farm near the city of San Miguel. The other victim was Jose Porfirio Alvarado, who was taken from his home and murdered by the terrorists. The incident took place in Montepeque, San Jose Guayabal, Cuscatlan Department.

The four peasants were murdered because they refused to cooperate with the rebels, according to an official report.

Meanwhile, a rebel was killed when terrorist groups clashes with National Police officers on El Tambu Street, Ayutuxtepeque, San Salvador Department. One civilian was killed and two were wounded during a clash with troops from the Engineers Military Department. The armed clash took place in the vicinity of San Marcos de la Cruz Canton, Zacatecoluca Jurisdiction, La Paz Department.

VENCEREMOS SENDS GREETINGS TO NICARAGUA

PA202128 (Clandestine) Radio Venceremos in Spanish to El Salvador 2300 GMT 18 Jul 87

[Text] From El Salvador we send greetings to the free country of Augusto Cesar Sandino, father of the glorious people's revolution that gave the Nicaraguan people their history. We Salvadorans send greetings to the Sandinist people's revolution. With administration, we greet the achievements in education, health, agrarian reform, and culture, and the progress in the construction of an economic and political system based on the needs of great majorities that have withstood 45 years of dictatorship until 8 years ago.

We greet the courage and strength of the EPS soldiers, who without sparing any efforts have been able to guarantee Nicaragua's integrity. With determination, Nicaragua has built a new society, defeating the imperialist plans to make Nicaragua return to the barbaric times of Somoza. We greet the historic vanguard of the Nicaraguan people, the FSLN.

PRESIDENT AZCONA 'ADMITS' PRESSURE BY U.S. CONGRESS

PA192344 Panama City ACAN in Spanish 0120 GMT 17 Jul 87

[Text] Tegucigalpa, 16 Jul (ACAN-EFE) -- Honduran President Jose Azcona Hoyo today admitted that the U.S. Congress has exerted pressure on his government to indemnify Puerto Rican Temistocles Ramirez.

At a news conference held at the presidential palace, Azcona told ACAN-EFE that the United States had let Honduras know that if an agreement was not reached with Ramirez, who is claiming a \$20 million indemnification for expropriated real estate, part of the U.S. economic aid to Honduras will be suspended.

Azcona said that Ramirez, a naturalized U.S. citizen, does not have grounds for most of his claims. He said Honduras wants an agreement to be reached so that it does not lose the \$20 million frozen by the U.S. Congress last week. The \$20 million is part of a \$59 million supplementary aid package.

Azcona explained it is not the U.S. Government, but the U.S. Congress that is exerting pressure, and that if the solution depended on President Ronald Reagan, the problem would already have been resolved.

The Honduran president accused several congressman of wanting to use Ramirez' case for political purposes. He added that if a solution is not found soon, he will put the case aside for later resolution by his successor, bearing in mind that the \$20 million will be lost and the claims will continue.

"We are completely clear on the fact that Temistocles Ramirez wants to take advantage of the situation, but it has also been admitted that there must be an indemnification for the damage inflicted on the property improvements" of one of Ramirez' enterprises, Azcona added.

According to U.S. laws, if Honduras does not reach an agreement with the claimant, it will lose the \$20 million.

Azcona said that all documents proving that Ramirez has no right to make the claims he is introducing must be presented and a solution that does not harm the country's dignity must be found.

The problem has become difficult for the Honduran president because he is confronting a situation which took place over 15 years ago when Ramirez purchased some land on the Atlantic Coast in a region which, according to the Constitution, cannot be sold to any foreigner.

Besides illegally owning land, Ramirez owes \$3.8 million for not having paid income tax and port services for 10 years, and he has other legal accusations against him.

Referring to the stance of a congressional commission, which recommends not indemnifying Ramirez, President Azcona said Honduras' interests are essential and if the indemnification is not approved, Honduras will lose the \$20 million, a price "I do not think any of the deputies is worth."

"National dignity is indeed worth more than that, but it seems that the whim of one Honduran is worth \$20 million," Azcona vigorously stressed.

Azcona denied the insistent statement made by National Party member Deputy Efraim Reconco Murillo, the country's second political force, that he had admitted his week that Roberto Suazo Cordova's administration received \$8 million to indemnify Temistocles Ramirez.

President Azcona stressed he never said that Suazo Cordova's government received the money and that Deputy Reconco "has too much ill will and lacks intelligence."

AZCONA TRAVELS TO U.S. FOR MEDICAL EXAMINATION

PA202022 Paris AFP in Spanish 2117 GMT 19 Jul 87

[Text] Tegucigalpa, 19 Jul (AFP) -- President Jose Azcona departed today for Minnesota on a private 4-day trip during which he will undergo medical examinations, official reports indicate.

Marco Tulio Romero, press director at the Government House, said that although the president is in good health he will receive medical attention at a hospital in Rochester.

Azcona traveled with his wife Miriam and his military escort.

D'ESCOTO DISCUSSES PRESIDENTIAL SUMMIT, U.S. AID

PA180357 Managua BARRICADA in Spanish 16 Jul 87 p 5

[Text] Nicaragua's foreign minister said yesterday there are indications that between 15 September and 15 October the U.S. Congress will discuss the possible last official remittance of funds to the counterrevolutionaries, by order of President Reagan.

This has been linked to the upcoming Central American presidential summit in August in Guatemala, as a justification for the possible obstacles that the White House will create for the meeting, while insisting on maintaining the aggression against Nicaragua, so the next administration will inherit the activity, which is what Reagan intends.

Father Miguel D'Escoto, questioned after an EPS promotion ceremony, did not specify just how far the policy in question has been developed, but said that once again it will unfortunately affect the search for peace in Central America.

If preparatory meetings of foreign ministers or deputy foreign ministers are insisted upon, Nicaragua maintains they must be within the framework of Contadora because, while the [preparatory meetings] were suggested by El Salvador's Duarte as a pretext for the previous postponement, we believe that because of the need for seriousness and guarantees, a meeting of that nature requires the assistance of Contadora and its Support Group.

The foreign minister briefly answered questions about the issue that is being considered at The Hague regarding Costa Rica, responding that by 21 July, Nicaragua must present a report as a legal requirement of the complaint that was lodged at the International Court of Justice [ICJ], for which that judicial organization allowed 8 months, which expired on 21 July.

The report is a supporting document, and Costa Rica will have another 8 months to present its counter report, the foreign minister explained.

Father D'Escoto stressed, however, that Nicaragua is not interested in "condemning anyone" and that, on the contrary, it has been seeking an out-of-court agreement that will bring about an understanding and guarantee that there will be mutual respect between our countries.

"It is not a matter, therefore, of whether we are going to confirm the complaint but rather of fulfilling the legal requirement" that will be executed by a team of lawyers acting as Nicaraguan agents, under the leadership of Carlos Arguello, Nicaraguan ambassador to the Netherlands, D'Escoto added.

In conclusion, D'Escoto said that the Costa Rican Government has not said anything official regarding a possible out-of-court arrangement as President Ortega suggested last Sunday.

BORGE SPEAKS AT 'DAY OF REJOICING' IN MATAGALPA

Nicaragua 'Not Satellite'

PA192137 Panama City ACAN in Spanish 0408 GMT 18 Jul 87

[Text] Matagalpa (Nicaragua), 17 Jul (ACAN-EFE) -- Nicaraguan Interior Minister Commander Tomas Borge announced today that the Sandinist revolution "is not a satellite of Cuba or of the Soviet Union or of the United States."

"The truth is that, for the first time, since 19 July 1979, Nicaragua is free, sovereign, and independent," the Sandinist commander stated in this northern city of the country, 126 km from Managua.

Tomas Borge was the keynote speaker at the principal ceremony of the "Day of Rejoicing" that is celebrated today in this country, recalling the date when dictator Anastasio Somoza Debayle fled from Nicaragua 8 years ago.

"The truth is that we are not a satellite of Cuba or of the Soviet Union, although we have deep ties of friendship with these brother countries on the basis of principles," the commander stated in this city, where the 8th anniversary of the Sandinist victory will be celebrated this coming Sunday.

"Although we are ready to shake hands with all countries of the world, the truth is that we will never be a satellite of the United States or of anyone," the interior minister stated.

"We tell our foreign visitors that we are proud to be Indians, that we do not know fear, and that nobody is going to bewitch us with spirits or scare us with threats," Borge stated.

The commander said the Sandinists "are happy" celebrating the departure of the dictator, but he noted that "we are going to be even happier when the counterrevolution is finally defeated" and the U.S. interventionist threat is overcome.

He noted, however, that this does not mean the day after peace is achieved, the problems of scarcity, of the long lines to buy food, of all the blood that is shed are going to be resolved.

"That day, when the contras are eliminated, we will begin to defeat underdevelopment and to build a new economy from the ashes and from backwardness," stated Borge, one of the nine commanders in the FSLN directorate.

In another part of his speech Borge called for a struggle from the structures of the ruling government party against arrogance, personal ambitions, mistreatment of the people, slovenliness, bureaucracy, servility, and irresponsibility.

Managua Notes Speech

PA212141 Managua International Service in Spanish 1305 GMT 19 Jul 87

[Speech by Interior Minister Commander Tomas Borge to commemorate the "Day of Rejoicing," in Matagalpa on 17 July -- recorded]

[Text] No one must harbor the hope that after the war ends, and after we have defeated the counterrevolution and overcome the threat of direct aggression, our worries and problems will be solved, because on that day we will begin to raise a new [word indistinct] from the ashes, ruins, and general backwardness.

However, Matagalpas, tomorrow will no doubt be a better day. That day, not far away in historical terms, will be the fruit of today's efforts, of today's struggles, of today's current limitations, of today's shortages, of today's flood, and of today's sacrifices.

We defeat Somozism! No doubt we will defeat the counterrevolution. However, after defeating it and [word indistinct], we must begin to defeat underdevelopment. The war of rifles prevails today. This war will prevail within this overall context of war that our backward people are facing as they confront underdevelopment. [sentence as heard]. This war has different nuances.

Rifle fire prevails today, as does backwardness and inefficiency. We are waging war against underdevelopment, which of course began 8 years ago and will prevail tomorrow. However, this will reach its culminating, most difficult, complex, and dangerous phase and its end with the military defeat of the counterrevolution. It will be a prolonged war calling for our people's and leaders' weapons, potential, and tenacious spirit. It will be a war that will, of course, end with our victory. No one should believe that once we defeat imperialism, the struggle will take new forms. It will be a political, ideological war. Lies, maneuvers, verbal and economic threats, their attempts to reduce us to a powerless nation and subdue us through terror and fright will continue.

Comrades, we must prepare ourselves for that war, which is, as I said before, the continuation of the other war. We must vigorously purge our limitations by courageously facing our weaknesses and errors, by promoting mutual respect and fraternity in our hearts, increasing tolerance, planning, order, and respect for revolutionary law, struggling against the party and government institutions' remains of arrogance, ambition, haughtiness, inefficient service, bad treatment, idleness, bureaucracy, servility, squandering, [words indistinct], irresponsibility, lack of initiative, and other attitudes that we have inherited from the former society that we defeated 8 years ago and that are part of the frightful world of underdevelopment.

Those evils are still part of a well-equipped army against which we will have to struggle with the same energy, strength, and heroism with which we fought against the armed, counterrevolutionary enemy. This is the army of underdevelopment; the [word indistinct] strength of backwardness. We already have a patriotic, anti-imperialist awareness. We are already aware of social justice. In the future it will be necessary to be aware of efficiency, work responsibility, and hard work. The same awareness of bloodshed should exist in the workplace, underscoring the need to work hard.

I have spoken somewhat fast, because I am afraid it will rain, but I know that you are not afraid of the rain [crowd laughs]. We will not leave if it rains. [crowd replies "no"] [words indistinct].

I was saying that if Nicaragua has contributed with its blood to confrontations and heroism, Matagalpa, the capital of tenderness, Jinotega, and the whole of Region 6 have contributed with enough suffering, pain, and blood to move the coldest heart. Approximately 25 percent of the national sacrifice has come from Region 6: 1,823 deaths, 2,335 injured, and 977 kidnapped people for a total of over 5,000 casualties until June 1987. Approximately 27 percent of property damage has been caused in Region 6.

That river of blood, the lake of tears, that [word indistinct] the people of Matagalpa and Jinotega deserve our deepest respect. That is why the FSLN named this area as the site of the celebrations of the 8th anniversary; for that and for many other reasons including a very important one which is that Matagalpa gave us the life, suffering, and death of our respected leader [word indistinct] of the revolution Carlos Fonseca. [applause]

This small country, determined to remain standing despite Yankee power, is going to celebrate its 8th anniversary, because before the 19 July triumph we were only an embryo, an attempt at a homeland, an attempt at a nation. Nicaragua was born on 19 July 1979. This country born on 19 July 1979, tormented by the war, backwardness, a ruined economy almost strangled by deprivations and hunger, and lacking everything, was born in the crib of rejoicing. Brothers of the United States, brothers of Cuba, brothers of the world, I can explain what rejoicing is, because we understand very well this rejoicing that lasts days and nights, this everlasting rejoicing of the Nicaraguan people. We are happy today, as we were happy yesterday, and as we will be tomorrow. We know how to explain this miracle to other countries, dear brothers. This miracle does not need any explanation for us, who are the leading figures of a revolution. It is the miracle of all revolutions. There are others who believe in different miracles, we believe in the infinite, great, and fair miracle of the revolution.

DEPUTY FOREIGN MINISTER DISCUSSES PANAMA, REGION

PA181728 Managua BARRICADA in Spanish 16 Jul 87 p 3

[Interview with Deputy Foreign Minister Victor Hugo Tinoco by Claudia Baca -- no date or place given]

[Text] [Baca] What is your opinion about the recent events in Panama, and what effect could they have on the Contadora Group negotiations?

[Tinoco] The danger is that independently from the natural political problems that Panama may domestically have, there is an external manipulation, a plan to destabilize the government and divide the Defense Forces.

The objectives of that plan prepared by the Reagan administration respond to logical interests:

the interest in destroying the Contadora negotiations process by politically and morally destroying one of its members.

the interest in stopping the Latin American unity process, as a disintegration of the Panamanian political structure could lead to the atomization of that unity.

If it succeeds in destabilizing the Panamanian Government, then it will be able to implement more easily its policy of aggression against Nicaragua, openly and massively using the bases in the Canal Zone and in the area.

In addition to these external facts there are intrinsic Panamanian facts.

There are conservative U.S. sectors that dream of a change taking place in Panama. A defeat of the Panamanian Defense Forces would give Washington the opportunity to revoke the Torrijos-Carter Treaties and indefinitely postpone the return of the Canal Zone to Panama.

Such a defeat would also mean the displacement of the nationalist sectors of the Defense Forces and the arrival in power of pro-imperialist sectors. The United States would have secured a loyal ally in Panama.

[Baca] Is it fortuitous that the maneuver is taking place now or is this part of a global U.S. strategy for the Central American area?

[Tinoco] For the past 2 or 3 years, as a result of the Contadora process, the Reagan administration has been working to create conditions for a rightist turnabout in Panama. This is one of the Latin American countries with the strongest nationalist sentiments as a consequence of its struggle for sovereignty of the canal.

The possibility that this recent increase in the activities against the nationalist forces could be a result of desperation on the part of the Reagan administration should not be discarded: It only has 17 months to go in control of the government and it must use them to resolve the Central America "problem." One way of doing this is by securing a firm rearguard in Panama.

[Baca] What is the outlook for the Central American presidential summit and how could the Panamanian situation affect that meeting?

[Tinoco] The summit, which now has been proposed for 6-7 August, is in danger. The meeting should have taken place on 25-26 June as Nicaragua insisted and as the five Central American presidents agreed; it was postponed as a result of a U.S. maneuver.

The Reagan administration is afraid that a meeting of presidents may harm, from a public relations and international public opinion standpoint, its request for an additional \$105 million for the counterrevolutionaries. Congress could say: "How is it that the Central American presidents are holding meetings and you are asking for \$105 million to wage war?"

Furthermore, I believe the fear exists that the Central Americans could reach some agreements, even if they are minimal.

This is why the Reagan administration favors the postponement of the meeting as a tactic to ultimately prevent it from being held at all. It cannot say: There is no summit, but it can ask for its postponement.

Contadora has now been asked to help because it is difficult for the Central Americans to advance alone so long as there is U.S. pressure on Honduras and El Salvador. If the Reagan administration succeeds in weakening Panama, which is an important member of Contadora and has been the headquarters of the group, if it hits the nationalist and propeace sectors, it will also be hitting the possibilities of Contadora responding to this new call by the Central Americans.

The destabilization of Panama would represent a serious setback for all the peace efforts in Central America.

[Baca] If the summit meeting does not take place and Contadora is weakened, what would be the possibilities of a peaceful solution to the Central American problem?

[Tinoco] That would be extremely serious. The United States is the main obstacle to a peace agreement in Central America. So far it has been checked by the desire of Latin America and Contadora to seek a peaceful agreement, whether President Reagan likes it or not.

Although this effort has not produced a rapid advance, some steps have been taken and there has been some communication. By breaking-up Contadora, the counterweight to the war policy of the U.S. Government would disappear and the chances for peace would be slim.

This is why it is of fundamental importance to keep Contadora and Panama from being harmed, as this kind of harm would increase the risk of having to face a more aggressive United States and even a direct intervention in the Central American region. The counterbalance to Washington would be a divided Latin America.

[Baca] What are the possibilities of the five Central American countries reaching an agreement based on the plan of Costa Rican President Oscar Arias?

[Tinoco] The possibilities are still being determined by the U.S. position, and are therefore slight. Ronald Reagan recently told President Arias that he does not approve of his plan. He does not agree to ending the aid to the counterrevolutionaries, and if he cannot accept that, he cannot accept anything because that is one of the key elements. Therefore, the possibilities for the Arias plan are slim.

In addition to this, some Central American countries have disagreements of their own with the Arias proposal, as was already mentioned at the 15 February meeting in San Jose in which we did not participate. On that occasion, four Central American countries could not reach an agreement, and Nicaragua was not there.

Nicaragua cannot be blamed if no agreement has been reached on the Arias plan. The fundamental problem for any peace proposal in Central America remains the United States' lack of political will in that direction.

NORIEGA ANSWERS DELVALLE ON PRISONERS' TREATMENT

PA220048 Panama City Telemetro Television Service in Spanish 2333 GMT 21 Jul 87

[Text] General Manuel Antonio Noriega sent today a letter to President Eric Arthuro Delvalle, as follows:

Panama, 21 July 1987

To His Excellency Eric A. Delvalle, President of the Republic of Panama

Your Excellency: In answer to your letter dated 17 July 1987, in which you express legitimate concern for the people arrested on 10 July, I wish to report to you the following:

A. In accordance with a report submitted to this command by Lieutenant Colonel Eric Aguilera, chief of the Penitentiary Services of the Defense Forces, which I enclose, the physical and moral integrity of the people arrested because of serious violations of public order taking place on Friday, 10 July, were always respected.

B. Following precise instructions from this command, such as I had previously informed you, the prisoners at all times received medical attention; as you can see for yourself in the enclosed medical report, a great number of the arrested people were even given a detailed medical examination which allowed the detection of illnesses such as glaucoma, viral conjunctivitis, gastric ulcers, lumbalgia (lumbalgia), asthma, hypertension, pharyngitis, and others. This is ample proof of the strictly humanist policy of this command, which places the human being over and above passing emotions.

C. Those arrested on 10 July could also avail themselves of the spiritual comfort given by Chaplain Guillermo Tejada, who has revealed in his report that the general conditions of the arrested people were acceptable and that they were allowed to receive clothing, food, and legal counsel. Reverend Tejada also coordinated the celebration of the Holy Mass and other religious services attended by almost all of the detainees. I also enclose Rev Guillermo Tejada's report.

D. I also enclose the register of the habeas corpus writs for people arrested and not arrested during 10 July disturbances.

The letter sent by Gen Manuel Antonio Noriega to the president of the Republic added that everybody knows that the Model Jail is totally obsolete and does not respond to modern penitentiary requirements. How pleased would the citizenry feel if the civic clubs would channel their efforts toward such objectives as struggling, together with the authorities, toward a penitentiary system which would be capable of rescuing the human being from the ignominy of being in a cell.

In compliance with your amnesty decree, which granted freedom to the 310 detainees, the anguish of the almost 2,000 common prisoners became even more acute because they enjoy neither the influence nor the attention of the sectors responsible for the recent disturbances, and they will remain solitary, isolated, left to their own devices, without hope and lacking someone to defend their human rights.

Mr President, we obeyed the order of the executive branch, which you so ably preside over, and we feel that, on carrying out our duties as guarantors of the compliance with the law and order, we have preserved a climate of peace which, until now, has prevented Panama from being contaminated with the violence which runs rampant in other areas of the world.

Sincerely yours,

All For The Fatherland

[Signed] Gen Manuel Antonio Noriega, Commander in Chief, Panama National Defense Forces

PROSECUTOR REJECTS DIAZ' CHARGES AGAINST NORIEGA

PA211535 Panama City LA PRENSA in Spanish 21 Jul 87 p 1a

[Article by Flor Quintero]

[Text] In a surprise move, yesterday at 1145, Colonel Roberto Diaz Herrera (retired), accompanied by his wife, Maigualida de Diaz, and his children, went to the Prosecutor's Office of the Third District of Panama. He went to present a criminal accusation against General Manuel Antonio Noriega, Panama Defense Forces commander in chief. However, Prosecutor Cecilia Lopez de Martin did not accept the accusation.

Diaz Herrera included Attorney General Carlos Villalaz in his criminal accusation. The former general staff chief also accused Gen Noriega of masterminding the murder of [opposition figure] Hugo Spadafora, the 1984 election fraud, and attempts to murder Diaz Herrera and his family. He warned, "I have sufficient proof that includes express orders to officers who will testify, as I will, as soon as there are true individual guarantees within the framework of the Constitution and Law."

The retired militaryman accused Attorney General Villalaz of complying with Gen Noriega's plans from the day that he was expected to go to the General Attorney's Office on 6 July.

He said he was also accusing Villalaz on "complying with Gen Noriega's new plan which consisted of foreign snipers, from Cuba and other countries, who were being trained at the Rio Hato Military base."

Diaz Herrera warned that he would provide specific details when there are true legal and procedural guarantees.

At 1300, the retired officer summoned the news media to a news conference at his home. [paragraph continues]

There, he stated he had voluntarily gone to the Prosecutor's Office, although he is under medical orders to rest, to file a criminal accusation against Gen Noriega and Attorney General Villalaz. He had done so due to threats to his physical well-being as well as that of his family.

Diaz Herrera noted that Prosecutor Lopez de Martin had flatly refused to accept the charges. The prosecutor had added that she preferred to interrogate him in front of Attorney General Carlos Villalaz.

Diaz Herrera said that ignoring legal, moral, and procedural guarantees, the prosecutor had summoned Defense Force Major Jorge Correa, officers, and other agents to her office, "so as to gain time to unjustly and illegally arrest me, and to psychologically intimidate my wife and children."

He strongly warned that "in view of the crass schemes that fully confirm the intent to physically destroy me as a state witness, as well as my wife and children, and in view of the legal and social anarchy in which we are living, I will defend myself out of legitimate self-defense and natural survival using any means within my reach against the institutionalized dictatorship that is misgoverning our long-suffering people."

Accompanying the retired officer during the news conference were his wife, Auxiliary Bishop Oscar Brown, his heavily armed personal bodyguards, and some local and international media.

Moreover, relatives of the retired militaryman issued a communique to the general population warning that should anything happen to the "colonel" there will be a civil war in Panama, as this would give rise to a number of incidents that will fall under the area of subversion." [quotation marks as published]

The communique stated that "we are pacifists first. However, we will not allow Roberto Diaz Herrera to fall prey to any reckless person, under any pretext." The communique is signed by a large number of relatives, children, and nephews.

ESCOBAR BETHANCOURT ON NECESSITY OF DIALOGUE

PA211841 Panama City Panavision Television in Spanish 2300 GMT 19 Jul 87

[Interview with Dr Romulo Escobar Bethancourt, president of the Democratic Revolutionary Party (PRD), by unidentified host of "History's Witness" program; place and date not given -- recorded]

[Excerpts] [Passage omitted] [Reporter] Dr Escobar Bethancourt, please excuse me for interrupting you, but for time purposes, I will jump over part of the history, and let's now talk about current times. Please excuse me, I invited you to talk about [the political situation] in 1947, however, I do not want to let you go before I ask you a couple of questions on the current situation.

Dr Escobar Bethancourt, what do you think -- as president of the PRD, the majority party, the party that controls the Assembly, and approximately one-half of the cabinet ministers, and has support from many popular sectors -- would be the solution to the current political crisis?

[Escobar Bethancourt] I would say it is necessary to have a dialogue between the various political forces in the country, not only the political forces but also the social forces and other groups, to analyze the various problems. For example, the 1989 electoral problem and the necessary reforms needed to guarantee clear elections. In addition, I believe other groups should also participate; for instance, the Popular Coordinating Board that is proposing the need for the government to take a series of measures that would help Panamanian people overcome the current difficult situation.

I, [corrects himself] we as a party have been exerting pressure within the government so that measures are adopted to correct the problems with fuel, so there will be a reduction in gasoline and electricity prices. We have been exerting pressure so that a series of measures are taken, which would reflect an improvement in the housing sector, such as the financing and construction of houses. We have been exerting pressure on a problem we believe is fundamental. That is, the problem of many Panamanian youths who graduate from high school and cannot find jobs. We think this is a priority problem. In this sense, I believe that instead of being in this state of violence among parties and groups, we should sit down and hold a dialogue, and discuss these problems which I believe are fundamental, and see what kind of solution we can find.

[Reporter] Excuse me for interrupting you, Dr Escobar Bethancourt. The political opposition, supported by some U.S. conservative sectors has asked for Noriega's removal. You have said that Noriega's removal is not negotiable. We would like you to clarify, why, if this is the main point demanded by the opposition, this point is not negotiable.

[Escobar Bethancourt] Well, because we believe that it is a point for which the opposition has no basis. I think they are wrong in believing that problems depend on whether or not Gen Noriega is the commander of the Defense Forces. The problem of unemployment in the country, the high cost of living, the foreign debt, lack of housing, and health problems do not depend on whether or not Gen Noriega is the commander of the Defense Forces. The opposition has used the ouster of Gen Noriega as a political battle cry for an excuse for agitation.

Why are we against that? For a very simple reason. Because we believe that Gen Noriega is one of the true military followers of Torrijos' philosophy. We are not doing this because he is now the commander in chief. We are doing this because during the years we worked with Gen Torrijos, we also got acquainted with the thoughts and actions of Gen Noriega. Second, because they have made slanderous charges against Noriega. They are well aware that those are slanderous charges. They have charged him with Spadafora's murder, knowing it is a slander. They have made accusations about drug trafficking. They have made accusations in Panama and abroad. They have done it in Panama because they think Noriega's presence is an obstacle for their desire for power, and outside of Panama, because Noriega has had an independent position regarding U.S. policy. Actually, it has been very difficult for us to maintain Panama's independent position in the Central American issue, in view of the United States intention of invading Nicaragua, for example. We believe the people's right of self-determination should be respected and that Nicaraguan people must be respected, not because of the kind of government they have but because each nation has the right to be respected by other nations.

If, for instance, right now, even though I am against the Government of General Pinochet in Chile, the United States said it is going to invade Chile to overthrow Gen Pinochet, I would also oppose this although it is a right-wing government, because no nation has the right to invade another one to impose a new government or to tell them what kind of government they should have.

[Reporter] Dr Escobar, I am going to interrupt you here. You are talking about the United States and I saw and heard you speak the front of the Foreign Ministry. In a harangue, much like the kind of things you did during your youth when you were a student leader, you invited everyone to march on the U.S. Embassy. You headed the demonstration, which recalled your own stone throwing days. However, a few weeks later while watching television, I saw you walking down the stairs of the presidential palace -- the symbol of Panamanian power -- practically holding Arthur Davis' hand. Please explain how that happened.

[Escobar Bethancourt] Very simple. The demonstration in front of the Foreign Ministry and the march on the U.S. Embassy was to protest what we believe is a disrespectful act by the U.S. Senate against our country. The Senate issued a resolution in which they tried to tell us what we should do, ordered us to remove Gen Noriega from the Defense Forces, and some other things. They tried to give us orders thinking that we are a U.S. colony and that our duty is to obey their orders. The march on the U.S. Embassy was an act of protest. We chose the embassy because the embassy is the symbol of the country whose Senate approved a resolution that we considered disrespectful of our nation. This has nothing personal to do with Ambassador Davis.

The meeting at the presidential palace with Ambassador Davis and Msgr Marcos Gregorio McGrath was suggested by the President of the Republic. The meeting was held to see if some measures could be adopted to prevent Friday, 10 July, from becoming a day of killings or situations tht all Panamanians would live to regret.

[Reporter] Let me break in here. I know you were not at the presidency of the Republic until 0300 or 0400 with Arthur Davis drinking coffee and talking about summer in the United States. But why did you have to talk to Arthur Davis about a demonstration? Where you negotiating something else that the people of this country are not aware of?

[Escobar Bethancourt] I can tell you we were not negotiating with Arthur Davis. The president was meeting with Msgr McGrath and he invited the ambassador. He also invited us. I will be honest with you; the president, Msgr McGrath, and the ambassador were worried about what would happen if the opposition groups decided to go ahead with their demonstration. Why were we called? Simply because they wanted to hear the opinion of the president of the political party that had suspended the great demonstration that we had scheduled for 9 July. We told them we had suspended our plans -- and we told the president we wanted to hold that demonstration -- because we understood that his request was a reasonable one. The president said that if we held our demonstration we would be disobeying his orders because he had requested a truce. But we also felt it was senseless to issue a decree that was going to be respected by only one side. We told the president that the 9 July demonstration had been suspended and that the 10 July demonstration should also be suspended. The talks with Msgr McGrath and Ambassador Davis were all about the 10 July demonstration.

[Reporter] Why were the opposition parties and the National Civilianization Crusade not invited to talk until 0300?

[Escobar Bethancourt] Well, you know they have been invited, on many occasions, to attend events but they never show up. They probably feel that if they come near us they will become contaminated. [passage omitted]

Therefore, I think nothing was done about inviting them to this meeting because they had publicly announced their decision to go ahead with the demonstration. That is what I understand happened. In any case, the invitation was made by the president of the Republic. I was a guest.

[Reporter] [Passage omitted] We are reaching the end of the program and would like you to send a message to the political side of the nation. A message to those sectors who are doubtful of a dialogue. A message that you, as a political leader for the past 40 years, have every right to send.

[Escobar Bethancourt] [Passage omitted] My message is as follows: That the government and opposition parties, leaders of the National Civilianization Crusade, leaders of the Popular Coordinating Board, and leaders of all civic and union organizations, select their representatives and let us all sit and discuss the Panamanian problem. A discussion in which all issues can be broached. Experience has taught me that solutions that will help resolve these problems in a peaceful manner will come from this dialogue. The path of violence is no good. The Panamanian people will not gain anything through violence.

[Reporter] Thank you Dr Escobar Bethancourt.

ARIAS ON 'REPRESSION,' 'EMERGING ATTITUDES'

PM201020 Barcelona LA VANGUARDIA in Spanish 13 Jul 87 p 6

[Interview with Christian Democratic Party Chairman Ricardo Arias Calderon by Joaquim Ibarz; date, place not given]

[Text] Mexico -- "They say dictators are never as sure of themselves as on the eve of their downfall. There appears to be great unity within the Panamanian military but there are indirect signs that attitudes are emerging within the Defense Forces that were inconceivable a few weeks ago. Panamanians are demanding their officers dismiss General Noriega and come into line with their people." This was said by Ricardo Arias Calderon, chairman of the Panamanian Christian Democratic Party and the most prominent Panamanian opposition leader, in an interview granted to LA VANGUARDIA.

"The authorities and the Armed Forces are feeling the pressure exerted by society for the military to heed the people's message to it. The Defense Forces must understand that, the way we are going, their institution is approaching disaster and the country could fall into chaos. What will not change is the Panamanian people's renewed will to provide themselves with a democratic system. The more repression is exercised, the greater the crisis will be within an army whose chief is accused of the most serious crimes."

Attack [subhead]

Arias Calderon denounced the existence of paramilitary groups that are active at demonstrations and that assaulted him a week ago.

"As I was about to enter my car a group of 15 people pounced, some of them carrying UZI machineguns and other automatic weapons. They threw stones and pieces of metal at us. I felt glass from all the windows falling onto me and they began shooting around the car. Just then the driver was able to get away. Paramilitary troops have committed many outrages against oppositionists; they carry weapons that are available only to those who receive tolerance and supplies from the Army. Many groups are composed of what could be called thugs, criminals, but also of people who show every sign of being servicemen in civilian clothes."

Panamanian opposition leaders have reported that protests will increase despite the Army's tough repression of demonstrators who went into the streets last Friday.

"The people's response has been so unanimous, the rejection of against the Army so widespread, that we must meet the challenge of overthrowing the dictatorship using every peaceful means available to us. The demonstrations and strikes will continue until we have secured Noriega's resignation and the restoration of democracy."

According to Arias Calderon, the repression is becoming indiscriminate, systematic, and gratuitous, in a way unprecedented in Panamanian history.

"The military has stained its reputation in its attempt to subjugate the population. During Friday's march, troops went as far as to fire teargas bombs and make arrests inside a church. They wrecked cars and used combat helicopters to intimidate people. To reinforce their repressive action they used paramilitary troops and gangs of thugs."

The oppositionist leader added that the Army used not only riot troops but also its crack combat troops, the 2000 Battalion.

Noriega Isolated [subhead]

[Ibarz] Noriega and some of the official media identify the opposition with the oligarchy.

[Arias] They have no other answer to their rejection by an entire people. Noriega is isolated: He is supported by military force and the government machinery. Even the trade union organizations, which did not openly support the strikes, acknowledge in all their documents that the protest is strongly supported by the people. The marches are attended both by traders and by people on low incomes. The demonstrations reflect the composition of Panamanian society.

Opposition Manipulated [subhead]

[Ibarz] How would you reply to the speaker of the Panamanian National Assembly, who said recently in Madrid that the opposition is being manipulated by the United States so it can avoid handing over the canal in the year 2000?

[Arias] This is another argument used by the regime to explain the people's rejection of it. The most noteworthy fact in this connection is that there has not been a single student demonstration in support of the regime. At the National, Catholic, and Technological Universities, where there is strong nationalist feeling, whenever students have staged demonstrations they have been against Noriega, not against the United States. This answer is the classic response of the dictator, who looks abroad for excuses for his conflicts with his people. According to Pinochet the problem is international communism; according to Noriega, it is Yankee imperialism.

Arias Calderon said that the United States has helped the Panamanian military remain in power for 19 years.

[Arias] "No other regime has enjoyed as much support from financial, military, and intelligence service sectors in Washington as the present. Noriega should explain the sending of a special envoy to the United States, almost in secret. What did he go to offer there?

[Ibarz] How will the present crisis affect the future of the canal?

[Arias] There is one point on which all Panamanians agree: The complete nationalization of the canal is irreversible. The question is whether the state will be properly ready to shoulder this responsibility in the year 2000. I fear it will not. Our argument, based on the facts, is that the military regime seems more and more like a gangster outfit rather than a responsible military organization.

[Ibarz] How would you describe Noriega?

[Arias] When someone accumulates power in all fields and is the subject of national and international charges -- some from his former second-in-command -- of murder, involvement in drug trafficking, electoral fraud, and widespread corruption, he must be described as virtually a dictator and gangster. Colonel Diaz Herrera's charges are nothing new to the Panamanian people because Noriega's connections with drug trafficking go back a long way.

[Ibarz] In remarks to Spanish television, Noriega suggested the possibility of a referendum on his remaining in power and gave assurances that there are no more than 5,000 oppositionists.

[Arias] If the referendum were to be held impartially and with international observers we would agree to it immediately. Because the fraud they committed in 1984 was not because they won but because they lost by a large margin. [sentence as published] If Noriega really believes the Panamanian opposition consists of 5,000 people it shows he has entered a psychological condition difficult to describe, because it would indicate his abandonment of the political realm for the psychiatric realm.

CAPUTO: MEETING WITH SHULTZ 'POSITIVE, PLEASANT'

PY211510 Buenos Aires DYN in Spanish 0335 GMT 21 Jul 87

[Text] Buenos Aires, 20 Jul (DYN) -- Foreign Minister Dante Caputo has termed his meeting today with U.S. Secretary of State George Shultz as "very pleasant, very positive, and one in which many topics of mutual interest were discussed." The meeting was held to discuss the explosive Central American situation and bilateral relations.

Caputo has also confirmed that at the beginning of August he will participate in the meeting of foreign ministers of the Contadora and Support Groups to be held in Brazil. He considers this meeting to be a preliminary step to a Contadora Group summit.

Caputo was contacted by phone by DYN at the Argentine delegation at the United Nations after the UN Security Council approved a resolution proposing a "just and honorable" agreement to end the hostilities between Iraq and Iran.

Referring to his participation in the UN Security Council deliberations, chaired by French Foreign Minister Jean-Bernard Raimond, Caputo stated: "There is nothing more than just asking for an immediate end of hostilities. This should have been done long ago." Caputo said: "In our opinion this resolution has some elements that gives it greater force, greater capability (than previous ones), of becoming a more effective instrument." He added that the success or failure of this resolution will definitely depend on the two involved parties.

Asked about possible contacts with British Secretary of State for Foreign and Commonwealth Affairs Geoffrey Howe to discuss the difficult Malvinas Islands issue, Caputo only said "we ate lunch" with the other foreign ministers who participated in the session.

He termed the meeting he held at 1000 (New York time) with Shultz as "very pleasant, very fruitful, and one in which many topics of mutual interest were discussed." He said they discussed the Central American situation, Argentina-U.S. bilateral relations, and the UN bill concerning Iran and Iraq.

Caputo will depart tomorrow afternoon for Bogota, where on Wednesday he will begin an official 48-hour visit at the invitation of Colombian President Virgilio Barco Vargas. On Friday he will go to Caracas, also on an official 2-day visit, to meet with Venezuelan President Jaime Lusinchi.

Talks Indirectly With UK's Howe

PY211525 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1330 GMT 21 Jul 87

[Text] Buenos Aires, 21 Jul (NA) -- Argentine Foreign Minister Dante Caputo today termed the meeting he held yesterday with his British counterpart Geoffrey Howe as one of "protocol." Caputo admitted, however, that he held an "indirect conversation" with him on international policy at the luncheon given by UN Secretary General Javier Perez de Cuellar.

In a telephone conversation with Radio Mitre from New York, Caputo said he exchanged greetings with Howe, the first contact between the two foreign ministers since the Malvinas war, and although they were seated in front of one another during the luncheon, they talked only through third parties. Caputo said that during the luncheon "rare diplomatic things happened such as an indirect conversation due to the fact that one talks about things which the other is talking about, without addressing each other."

The foreign minister added that yesterday, before the luncheon, he also talked with U.S. Secretary of State Shultz. During the conversation they made a "general review of the regional situation and bilateral relations." He did not say, however, whether they discussed the Malvinas issue. Caputo said "the most important point" of the meeting with the U.S. secretary of state referred to the deliberations of the UN Security Council. He added that Shultz thanked him for the Argentine position in that session.

VICE PRESIDENT COMMENTS ON ECONOMIC MEASURES

PY220042 Buenos Aires Domestic Service in Spanish 1600 GMT 21 Jul 87

[Text] Vice President Victor Martinez today analyzed with President Alfonsin repercussions of the new economic measures. At the end of the regular meeting, which is held every Tuesday, Martinez said the purpose of these measures is to improve the workers' situation.

[Begin Martinez recording] We are trying to curb inflation. What is more, we are trying to cut down public expenditure to increase the tax revenues, to not print more money, to encourage exports, to strengthen production, and to encourage the agricultural sector and the foodstuffs industry. New elements have been incorporated to truly promote production. In sum, we believe all these measures will serve to complement the Austral Plan, which undoubtedly has its impact on the economy, especially the workers' sector. [end recording]

Regarding decisions affecting the public sector, Martinez stated that the idea is to implement these measures without reducing human resources. When he was told that the decision involving the exchange houses has caused surprise, the vice president said the exchange system and the financial policy should not be handled solely by official banks. It should also be handled by those who deal with exchange matters. For this reason, he added, these measures do not satisfy all sectors, but they do seek to improve the economy. He stated that these measures will not favor the black market.

Martinez was asked whether the government intends to suppress the overtime and to extend by 60 minutes the regular work day of public employees. Denying this, he stated:

[Begin recording] No. What happens is that the enterprises will have to operate with their own resources, they will have to have a more efficient administration. Therefore, some may have considered reducing overtime. [end recording]

SUMMARY OF ECONOMIC REACTIVATION DECREE

PY190143 La Paz PRESENCIA in Spanish 11 Jul 87 pp 1, 5

[Text] The Economic Reactivation Decree 21660 seeks to promote the greater production of goods and services in the economy, since this is the only way to generate foreign exchange, improve salaries, and create more jobs in the country.

That statement was made by Finance Minister Juan Cariaga during a news conference in which the economic cabinet explained the characteristics of the decree which was approved by the government on Thursday, 9 July, and made public yesterday.

To attain the objective, the need for financial resources coming from external credits and local contributions was first considered; then ways to reduce production costs were explored, such as reducing prices and rates of public utility services, including energy, transportation, bank interest rates; and finally, measures to straighten out the national financial system were examined.

Title I: Resources for Reactivation

Chapter I: Source of Resources

The reactivation policy has \$1,583 million available for a 3-year financial plan (1987-89) to be forthcoming from external credits, both contracted and available, and from local contributions, to be obtained from the following sources:

External resources: IDB, \$450 million; bilateral agreements, \$323 million; World Bank, \$161 million; Andean Development Corporation, \$234 million; and donations, \$140 million. [figures as published]

Local contributions: Extraordinary Fund for Economic Reactivation (Fondo Extraordinario de Reactivacion Economica -- FERE), \$100 million; matching funds, \$200 million.

Chapter II: Financing of Public Investments

This 3-year program allocates \$1,079 million for public investments, of which \$879 million will come from external credits and \$200 million from local contributions.

Funds will be preferentially invested in the hydrocarbon, transportation, communication, agricultural, mining, and social sectors.

Chapter III: Extraordinary Fund for Economic Reactivation (FERE)

FERE is created with a capital of \$100 million, 60 percent of which will be destined to working capital credits for productive activities, and the remaining 40 percent will be assigned to the construction of public housing.

Title II: Social sector

Chapter I: National Council of Social Policy

This council is created to design the government's social policy, and it will present, within an established period of time, a 3-year plan for investments offering concrete solutions in this sector.

Chapter II: Cooperatives National Council

The existing Cooperatives Council is reorganized and the Cooperatives Undersecretariat is created within the Labor Ministry.

Chapter III: Public Housing

A \$40 million fund is set up to foment the construction of public housing units and it will be administered by the Central Bank and disbursed through the national financial system. Credits from this fund will bear LIBOR [London Interbank Offered Rate] plus 5 percent interest rates and will have up to 20 years for amortization.

Chapter IV: National Housing Fund

This fund is created from employers' contributions of 2 percent and employees' contributions of 1 percent on salaries, and will have chance to obtain external credits.

Chapter V: Public Housing Institute

The Housing Councils and the Housing Bank are dissolved and the Public Housing Institute is created to formulate national plans and to supervise all matters related to housing construction.

Title III: Reserves and Foreign Debt

Chapter I: Gold Reserves

Because of problems created by the delay in payment on the sale of gas to Argentina and losses caused by the decline in prices of our raw materials in the international market, the Central Bank of Bolivia is temporarily authorized to use 50 percent of the commercial value of the gold bars in its possession.

Gold reserves on hand are equivalent to \$450 million, and 50 percent of it can be used as credit guarantee or, if necessary, can be sold as such.

Resources obtained through operations will be assigned to FERE, \$100 million, and the remainder will go to the National Treasury to substitute income yet to be realized from the sale of gas to Argentina.

Chapter II: Foreign Debt to Private Foreign Credits

So as to definitively solve the problem of the foreign debt with private foreign creditors, the Central Bank is authorized to float bonds that can be negotiated for those credit obligations. These bonds will earn no interest and will mature in 25 years.

This demonstrates the nation's interest in solving its foreign debt problem.

The price of the bonds will be lower than the nominal debt to the private creditors, fluctuating between 10 and 20 percent of the debt.

Chapter III: Foreign Debt Conversion

The holders of those bonds can invest them as capital in national private banks, private enterprises, mixed economy enterprises in the productive sector, or in the purchase of state enterprises' assets.

Title IV: Banking and Financial Regulation

All regulations pertaining to the country's private and public banks are contemplated under this title.

The private banks will be allowed to transact credit operations only with private individuals, corporations, or cooperatives; and the public banks will restrict their operations to public entities.

In lines of refinanced credits, the interest rates to the final borrower will be the LIBOR rate plus 5 percent at the most.

The following measures have been adopted to regulate the financial system: profit reduction to cover delinquent debts, capital requirements, nonconcentration of credits, and fixed assets limitations.

The Banks Superintendency is created to adequately oversee the national banking system, including the Central Bank of Bolivia.

Debits of approximately \$100 million carried by the Mining Bank and the Agriculture Bank are transferred to the National Treasury.

The Agriculture Bank of Bolivia will have to introduce reforms in order to offer financing to small farmers.

The Mining Bank is authorized to form a corporation with mining operations and mining cooperatives as shareholders.

Title IV: [number as published] Foreign Trade

Chapter I: Imports

Custom fees of 20 percent on the CIF value of all imported goods are maintained. To encourage investments, 3-year interest-free loans will be granted for importation of capital goods.

Chapter II: Exports

To foment exports, the Customers Refund Certificate [Certificado de Reintegro Arancelario -- CRA] is created. This refund will be 5 percent on the value of traditional exports, and 10 percent on the value of nontraditional exports.

The Exports Promotion Institute is set up in order to foment and diversify export activities.

Title V: Public Utilities

Under several chapters, reductions are established for railroad transportation and electricity supply rates. The losses caused by these reductions to railroad and electricity supply companies will be compensated for by transferring their assets of approximately \$150 million to the National Treasury.

In the case of air transportation, the possibility is open to establish new airlines in the country and to restructure the Lloyd Bolivian Airline.

Title VI: Public Investments

Finally, the Economic Reactivation Decree lays down a number of measures that apply to public institutions, defining their responsibility, modifying bid solicitation procedures, and reorganizing state enterprises.

GOVERNMENT CALLS MUNICIPAL ELECTION FOR 6 DEC

PY180055 La Paz La Red Panamericana in Spanish 0000 GMT 18 Jul 87

[Excerpt] Through Decree 21,662, the Bolivian Government has called for national municipal elections on Sunday, 6 December 1987. [passage omitted]

COB ELECTS NEW EXECUTIVE BOARD MEMBERS

PY202143 La Paz La Red Panamericana in Spanish 1130 GMT 20 Jul 87

[Excerpts] The Bolivian Labor Confederation [COB] Executive Board has been elected after 17 hours of uninterrupted discussions. (Raul Omirei), a member of the Movement of the Revolutionary Left [MIR]-New Majority faction who represented the construction workers, and Casto Rivero, a member of the pro-Soviet Communist Party who represented the railroad workers, are the only ones to remain from the former COB Executive Board.

This information was supplied by (Marcos Donis), a Bolivian Communist Party [PCB] leader, and by Oscar Eid Franco, a leader of the MIR-Jaime Paz Zamora faction. Oscar Eid Franco released the full list of COB Executive Board members.

[Begin Eid recording] Simon Reyes is the executive secretary. Heriberto Mamani is the general secretary. Justo Perez is the public relations secretary. Alfredo Gomez Garcia, who represents the railroad workers, is the second public relations secretary. Genaro Flores, who represents the peasants, is the third public relations secretary. Feliciano Flores is the secretary for finance. (Ruso Rivera) is the secretary for organization. Also involved is the secretariat for organization. Also involved in the secretariat for organizations are (Juan Rocha Aguilar), Julio Arce, Miguel Heredia, and Jose Luis Flores. (Raul Omirei) is the secretary for conflicts, and Juvenal Castro is the secretary for Campesino affairs. Other members are Jaime Cabezas, Casto Rivero, Paul Flores, (Ramiro Cuentas), Sergio Gallardo, Andrews Ortega, (Zulema Alanes), Jorge Miranda, Jaime de la Torre, Edgardo Vazquez, and Luis Lozada. (Willy Rodriguez) is the secretary for labor affairs, and Carlos Riveros is the secretary for social affairs.

The COB executive board is completed by Comrade Clavijo, Pastor Vargas, (Luis Cinturias), Felipe Tapias as the secretary for labor relations, Simon Quispe, Carlos Aramayo, and Filemon Escobar as the COB general adviser. [passage omitted] [end recording] [passage omitted]

Concerning the COB's new approach and position, considering that the MIR-New Majority faction is included in the new executive board, Oscar Eid said the following:

[Begin recording] Undoubtedly in the new executive board there will be two main trends. One trend involves the PCB and the other involves the national left-wing forces whose main force is the MIR-New Majority faction. I think these will be the two trends in the new executive board. Thus, we will support the democratic process and pursue a unionism that reflects a national left-wing strategy and will effectively solve the problems troubling Bolivian workers. We will act within a framework of lawfulness. We want a responsible renewal [words indistinct]. A renewal is possible. We must consolidate and solve all the problems that surface within the Bolivian trade union movement at a time of inaction, attrition, and transition. [passage omitted] [end recording]

U.S. AMBASSADOR ACCUSED OF LEASING TERRITORY

PY212135 La Paz La Red Panamericana in Spanish 1700 GMT 21 Jul 87

[By Jorge Barrientos Zapata]

[Text] Referring to the supply of bonds [not further specified], the Bolivian Socialist Falange of the Left [FSBI] has released a communique, signed by Antonio Camacho Camargo, (Jose Laciara Garcia), and Guillermo Escobar Angulo, accusing the U.S. ambassador of trying to lease national territory.

The FSBI communique states that a bond sold for \$1 million on the Paris stock exchange is worth \$10 million in Bolivia.

The communique adds that in keeping with this, the Bolivian Armed Forces are legally obligated to take immediate irrevocable patriotic action to defend our fatherland's sacred sovereignty, which is now being threatened as never before.

BRIEFS

NEW ADN EXECUTIVE BOARD -- The Nationalist Democratic Action (ADN) has elected its new executive board: Antonio Ormachea M., executive secretary; Enrique Toro T., national organization secretary; Juan Luzio G., national finance secretary; Gonzalo Torrico, national press and public relations secretary; Enrique Prado, national congressional coordination secretary; Heberto Castedo, territorial coordination secretary; Fernando Rojas, secretary general; and Raul Kieffer, legal adviser. [Excerpt] [La Paz EL DIARIO in Spanish 2 Jul 87 p 3 PY]

PROSECUTORS REMOVED -- The interior minister has reported that the executive branch is removing prosecutors throughout the Bolivian departments to guarantee the correct enforcement of the law, especially concerning drug trafficking cases. This action has already been conducted in Santa Cruz, where all the prosecutors except the district prosecutor have been removed. Prosecutors are to rotate, especially in drug trafficking cases. [Summary] [La Paz EL DIARIO in Spanish 1 Jul 87 p 1 PY]

GOVERNMENT REACTION TO COMMUNIST ADVERTISEMENT

PY211957 Santiago Domestic Service in Spanish 2300 GMT 20 Jul 87

[Report from Government House by Graciela Contreras]

[Text] The government will request through the Interior Ministry the cancelation of the political rights of those who signed a paid advertisement that was published in a Santiago morning newspaper in which Communist militants called for a mobilization in September. At the same time, the ministry will also reportedly impose sanctions on the paper that published the paid advertisement.

In this regard, Interior Ministry Under Secretary Alberto Cardemil said that after ministry lawyers analyzed the situation, the ministry decided to adopt two measures.

[Begin Cardemil recording] Today Interior Ministry lawyers analyzed the paid advertisement, and the ministry this morning decided to adopt two measures. First, the ministry will file a lawsuit charging violation of Article 8 of the Constitution against those who requested the publication of the paid advertisement. Concerning the other measures that may be taken, as you know, we have already reported that we are studying what legal action we will take. Concerning the people who signed the manifesto, as I told you, legal action is being studied in order to file a lawsuit as soon as possible. [end recording]

Cardemil added that the sanctions to be imposed on the paper for publishing the manifesto call for the payment of 10 to 100 annual tax units [unidades tributarias anuales]. He added that the violation of Article 8 establishes that any action by an individual or group of individuals for the purpose of promoting doctrines against the family, promoting violence, or promoting doctrines regarding society, the state, or the legal system based on totalitarianism or class struggle is illegal and against the Republic's institutional order. Cardemil explained that the violations of Law No 18,015 must be reported to the courts.

As for the situation of Mireya Baltra and Julieta Campuzano, Cardemil said that since the president decided to lift their exile they are free to go wherever they want. However, he went on, the lawsuit for the violation of Article 8 is not affected by whether a person is confined or free. The lawsuit refers to the cancelation of political rights.

The lawsuits, Cardemil explained, seek to establish that persons have violated Article 8 of the Constitution and that the tribunal should therefore strip them of their constitutional political rights.

There have been some comments on the paid advertisement published by the newspaper. The call by the outlawed Communist Party for a popular rebellion against the government will fail because the Chilean people are beyond that stage. This comment was made by Chilean Socialist Party Secretary General Juan Carlos Moraga, who said the Communists are conservatives and reactionaries, adding that the Communist Party is reactionary and conservative in its political practice because it is still using its repudiated and defeated tactics.

The outlawed Communist Party published a paid advertisement calling for a popular rebellion in the Christian Democratic Party newspaper LA EPOCA; the ad was also published by ANALISIS, a Marxist magazine. The Socialist leader said the Communists have again called for protest and social mobilization and do not want to understand that this is a stage that was absolutely overcome in Chilean political development.

Moraga added that the protests of 1983 exhausted the Communist Party in 1984 because of the inefficiency of the traditional left and especially of the Communist Party, which has proposed tactics and strategies that the people in general have categorically rejected. Moraga said that in planning to use violence as a method for political action, the Communist Party has again insisted on its particular approach to seeking democracy in Chile. This is just propaganda and not a factor that might introduce something useful onto the political stage. The government reacted immediately against the 8 people who signed the advertisement and announced that lawsuits will be filed against them, as is reported elsewhere in this cast.

Among those who signed the manifesto are former Communist lawmakers Julieta Campusano and Mireya Baltra, whose exile from Chile was lifted by President Pinochet. Legal action against the newspaper that published the advertisement of the outlawed Communists was also announced.

The Communist Party, which is not allowed under the Constitution, is run by remote-control from Moscow by former Senator Luis Corvalan, who was exchanged for a Soviet dissident after he was found in his room under the bed where he was hiding.

National Renewal Party political commission member Luis Sanchez Santibanez said the publication of the outlawed Communist Party advertisement in two Santiago newspapers is political suicide for sectors that one day want to present a democratically oriented, united left. Santibanez said that with the advertisement it becomes clear that it will no longer be necessary to argue about whether Communist sectors should be legalized by the Constitution. He said the recent Communist Party congress in Moscow received from Chile confirmation of the line of action that was recently imposed. This means, Santibanez said, they intend to continue to sponsor the so-called popular rebellion. In other words, they are not willing to operate under the new institutional order, to register as a party, or to register in the electoral registries.

Santibanez added that this means they do not respect the 1980 Constitution, and are not interested in participating in a new democracy, and in an institutional system that can guarantee social peace and peaceful means for attaining full democracy.

ECONOMY MINISTER ANALYZES ECONOMIC INDEXES

PY212019 Santiago Domestic Service in Spanish 2300 GMT 20 Jul 87

[Text] Economy Minister Brigadier Manuel Concha said the number of cars in Chile grew by more than 5,000 in the first 4 months of the year, which reveals a recovery of the economy and an increase in purchasing power.

The minister made this comment in his opening remarks at the 5th International Congress of Consortium Managing Companies at the Carrera Hotel. The minister added that the modification of car sale regulations [estatuto automotriz] last year implied the reduction of taxes on all vehicles, allowing consumers to obtain the benefits of competition in the international automobile market.

Minister Concha also summarized the current Chilean economic situation, emphasizing the freedom enjoyed by the public sector and the importance of the market as the source of funds and the state's subsidiary role.

The minister added that Chile today is an appropriate environment for investment and for the creation of new enterprises in a framework of economic stability achieved during the last two international crises. He explained that for this year the government has projected a 5-percent growth of the GNP, which is in total agreement with the increase in the number of jobs and the national employment level. He said the inflation rate is not expected to exceed 17 percent in 1987. Concerning the balance of trade, he explained it has been favorably influenced by the growth of exports, which in the first 5 months of the year have reached \$3 billion, an increase of 11.5 percent over the same period last year. He also stressed that during the past 13 years, the government has undertaken extensive modernization work in all fields of national life.

The 5th International Congress of Consortium Managing Companies was opened by Patricio Millas, the president of the congress. Former Labor and Mining Minister Jose Pinera gave the next speech. The congress will end on 21 July with the presentation of analyses and results and the final speech by (Egidio Elton Motolov), president of the International Association of Consortium Managing Companies (?IAMC).

'SYMBOLIC' ELECTIONS CALLED IN CONCEPCION

PY211821 Madrid EFE in Spanish 1721 GMT 19 Jul 87

[Text] Santiago, 19 Jul (EFE) -- The Committee of the Campaign for Free Elections in Concepcion, in southern Chile, will hold a "symbolic election" in September. In this election, which will last 2 days, the voters will have to answer the question: "plebiscite or free elections?"

This convocation is part of a campaign the Chilean opposition has staged to convince Chileans to register with the electoral registries in record numbers. That is the only way they will be able to participate in the referendum to designate the next president of the Republic.

According to the Constitution, in the referendum the Armed Forces will propose the name of the president for the 1989-97 term. Only if the majority of voters reject the proposed named will there be direct elections with two or more candidates in 1990.

The recently announced "symbolic elections" were defined as a didactic activity in which all citizens who can prove they registered with the electoral registries can participate. It will be held on 4 and 5 September.

On those days, the sponsors of the "symbolic elections" will establish electoral tables in different places in Concepcion, Chile's third largest city. Concepcion Archbishop Msgr Jose Manuel Santos announced he will participate in the elections and give instructions to priests to awaken the citizens' awareness on the importance of registering with the electoral registries.

PRIME MINISTER LARCO COX SPEAKS ON ECONOMY

PA212203 Lima Domestic Service in Spanish 0139 GMT 20 Jul 87

[Speech by Prime Minister and Presidency Minister Guillermo Larco Cox in Lima on 19 July -- live]

[Text] Fellow countrymen, allow me to enter your homes tonight. This is the first time I do so as prime minister. I do not intend to outline my cabinet's entire policy, because I will do that as soon as the next legislature is installed, as required by the Constitution. Tonight I address you only on topics concerning the economic program and government talks with the political parties. Perhaps some of you may have been somewhat surprised at the delay in publishing the economic measures, but having decided upon them before joining the cabinet, I wanted to carefully examine them. They are congruent with our party's program since 1985. This program has reaped great benefits for the country, our businesses, and our workers. We should recall that in 1986 we had the highest growth rate in the continent and the highest growth rate in our country since 1962. This program, largely aimed at domestic demand, must be directed toward exports. What has been based previously on consumption must be based on savings and investment in the future.

Naturally, this program has not solved all our problems. Economic problems are never resolved in any country overnight. For example, inflation occurs when one spends more than one earns, or when there is more money than goods to buy. The government has decided to reduce interest rates except for savings accounts, because interest rates are a cost to business, which generates most of the country's savings, and to compensate for the increase in salaries and wages. However, we are aware that this can affect a great number of small savers. We are creating savings and investment alternatives for them, which will be much more advantageous to speculating with the dollar. We can forecast that the pressure on the dollar, which we have experienced the past few days, will let up once these alternatives are offered. This pressure has no relation to the dollar's real value or to the economic process. It is imperative that the government be accommodating about any of your mistakes or misunderstandings regarding our economic goals. Because of the pressure on all of us who hold public office, we sometimes make mistakes or convey our ideas in a way that citizens do not understand. It is clear this has caused a certain degree of uncertainty and worry, which has been reflected on the dollar exchange rate in the free market. The free market, or the so-called Ocona [street in Lima] dollar has reached an exaggerated height. The rate does not follow any technical explanation. It is solely the result of a lack of understanding with the population concerning the goals and objectives of the second stage of the economic program. Therefore, I reiterate that in my opinion we shall see a reduction in the exchange rate of the dollar within the next few weeks. We firmly believe that this situation, which represents the total freedom of the free dollar market, is only temporary.

As you well know, we are committed to developing productive investment and saving processes in this stage of the economic program. This process has also suffered some mistakes. However, we expect to correct them and broaden the base of mutual trust among national businessmen, workers, and the Peruvian Government. When the three sides decide to work together, our future productive investments will ensure our future growth.

Henceforth, we promise to support these investment efforts. As the results of our efforts unfold, we are certain you will accept our plan, and understand the logic behind our call for investing in the productive sector instead of taking part in financial independent ventures [rentismo] encouraged by speculation.

However, we again repeat that the problems of Peru cannot be resolved overnight. It is going to take us many months, even years, to again right the Peruvian economy. The APRA [American Popular Revolutionary Alliance] government inherited many problems. Some came from the government before us, others, nearly all of them, were structural mistakes accumulated over the last 20 years. The central problem we are facing is that while the economy has shrunk, Peruvian society has multiplied all of its problems. Thus while society had more and more demands to satisfy, the economy had fewer and fewer resources to satisfy them with. This is why we have proposed the need for a national agreement to put the country in order, and the benefits will be seen perhaps after 1990. There are some who call this consensus. Consensus, although it means more than a simple majority, is not synonymous with unanimity -- something that can only be attained by force in a totalitarian society.

By meeting with the political parties we have, above all, wished to reaffirm that democracy means party pluralism, respect among parties, and the ever-present possibility of leadership options. We wanted to reaffirm that that system, with all its imperfections, is preferable to all forms of barbarism. We wanted all parties to take part, as the problems are not only ours.

We could have added some mistakes to the list, but they are not even from the previous government, but instead from all the national experiences during the last 25 years. Consequently, we all have to take part in the solution. The beneficiary will be the government that emerges from the ballot boxes in 1990. It could be us, the Apristas, or maybe not. However, the real and eventual beneficiaries will be the great majority of overlooked Peruvians who everyday need more and to whom each day the governments give less.

What we are proposing is not a social pact -- not yet, at least. Although many suggest this might be one of the routes for our economic development, and above all for our political stability, the indispensable basis for the former, it is a simple agreement, just a few rules to deal with a few problems, to remove from partisan squabbles some overwhelming problems. We have not reached any conclusions during these talks, the first stage of a dialogue which we hope will become institutionalized. We have exchanged ideas and have listened to positions, some of which we agree with and others we do not. These dialogues will always be open and transparent, before free and permanent public opinion. This is why I am before you, not to outline all our policies, which I will do in due course before Congress, but to keep the promise we made that all our acts will be public and open.

The president has proposed three topics: We need to bring peace to the country; we need to keep population growth proportionate to economic growth; and we need efficient use of our natural resources. All these topics can be explosive. All can possibly be used for passion and demagoguery. All are great topics. At least some of them allow public men to rise to the height of statesmen.

Regarding the first topic, we have heard different positions. We consider particularly interesting the suggestion on the need for civilian governments in emergency zones. Regarding the second topic, we want to treat it with all seriousness and reflection. We particularly hope that suggestions and opinions do not clash with human dignity or religious principles. On the third topic, we have mentioned the need for a new hydrocarbon law. We must realistically review the need for risk capital.

As any underdeveloped country, we lack the necessary capital. That is why, several decades ago, Victor Raul Haya de la Torre, the head of my party, said the problem was not whether or not to deal with foreign investment, but how to deal with it.

Recently discovered gas could allow us to produce for export the oil we now consume ourselves. It can light all Peruvian homes. It can finance development projects that will feed our population for decades. It can turn us into a self-sufficient country in energy, which will be the currency of the future. How can we waste this marvelous possibility as we have wasted so many of our resources in the past? How can we waste this resource as we did rubber, guano, or those which because of their nature are easily abused or ravaged? This country's inhabitants expect a sensible reply from Peruvian politicians. This agreement must be framed within respect for human rights and institutions. Suggestions have also been made for autonomy of certain government institutions like the Comptroller's Office, the Central Reserve Bank, and the Insurance and Bank Superintendency. Our visit to the Comptroller's Office was to ratify and express our demand that public administration must be honest. The Aprista Party might have made many mistakes, but its long untiring work is full of selfless martyrs. That is why corruption will not find a place in my cabinet. Because democracy is not just proclaimed, but must be exercised, we will publish the appropriate decrees so all state-owned media will give free and permanent access to the country's organized political forces. We also announce that we shall use with discretion clause 20 or Article 211 of the Constitution for extraordinary events, which we will only use in situations of real emergency.

What is to be expected of me? The president of the Republic and my party have entrusted me with this honorable task at a time when I was involved in parliamentary tasks that I thought would be my last public service. When I accepted the appointment I harbored no personal ambitions. In 1990 I will return to the sunny land where freedom was born and the light shines. You should expect that I will not hide any facts. We will not interfere in the administration of justice. You should expect a solid commitment with the president of the Republic, although there could be an independent council, and, why not, a sometimes stubborn one.

The Cabinet that works under my presidency [as heard] will defend the values of human rights wherever they may be violated. As a very stimulating commitment, I will undertake the regionalization of the country. We will try to speak little and work more. May this large and inefficient state that we inherited slowly become a more rational and efficient instrument of government. If in the first 2 years the economic program solely supported itself on consumption, we must now take care of investments and savings. We must have a national agreement on profits and clear and lasting rules for investors so we will advance in our economic program. We hope to open international financing for our country, but within the terms that have been mentioned by President Alan Garcia; in other words, in line with our true capacity for payment, and using the so-called debt problem as an opportunity to open new markets for us. We are aware that we have many challenges, that inflation is an ever-present threat, that we are going to have to prevent ending up one day with a serious fiscal deficit. We must contribute to a more just administration of taxation by increasing the number of taxpayers and ensuring that those who have more, pay their taxes.

It is precisely our treatment of taxation that makes our democratic and progressive governments different from conservative governments. We hope to promote trust. Let us mutually trust each other, Peruvians. Let us work together. Let us work. Work and long-range efforts have been the only magic wands for achieving development in the history of all peoples. Let us return to that mandate, which is as old as the Bible. If we do it, someday Peru will be the size of our hope. I have decided that the economy minister will shortly give us details of the economic plans included in this message. Good night and thank you.

BOUTERSE DEPARTS FOR COLOMBIA; TO VISIT GHANA

FL171930 Paramaribo International Service in English 1730 GMT 17 Jul 87

[Text] Head of government Desi Bouterse left for Colombia this morning for a 1-week visit. An official release here said Bouterse's visit to Colombia is a private one but that he will take advantage of the opportunity to meet authorities in order to discuss bilateral relations and development in the region.

It was also disclosed that the head of government will be paying an official visit to the African Republic of Ghana next month on the invitation of Ghanaian leader Flight Lieutenant Jerry Rawlings. Head of government Bouterse is expected to discuss socio-economic developments in both countries with his colleagues.

FRENCH PROBE INTO 'TERRORISTS' AWAITED

FL201804 Paramaribo International Service in English 1730 GMT 20 Jul 87

[Text] The Surinamese Government is very interested in the results of the investigation which the French authorities promised to conduct into the matter of terrorists moving through French Guiana. The promise was made in Paris earlier this month by the French foreign minister when he discussed the matter with his colleague from Suriname. Mr Heidweiller, during those talks, pointed out that the question of the displaced persons in French Guiana is caused by terrorism at the border between the countries. He said the problem can only be solved if the terrorist gang is rolled up [as heard]. The French foreign minister also promised that his government will investigate the matter of people with Dutch passports traveling through French Guiana. He assured Mr Heidweiller of the fact that his government is against any interference in Suriname's internal affairs.

GUADELOUPE INDEPENDENCE LEADERS EXPELLED

FL211236 Bonaire Trans World Radio in English 1130 GMT 21 Jul 87

[Text] Authorities in Suriname have expelled five people suspected of being leaders of a revolutionary movement on the island of Guadeloupe. The five were seeking political asylum in Suriname. They had just landed on Sunday in a small passenger plane at an airport just south of the capital, Paramaribo. On arrival, they were taken for questioning and said they belonged to Guadeloupe's independence movement trying to put an end to French control on the island. They've left Suriname on the same aircraft, destination unknown.

Foreign Ministry Comments

FL211750 Paramaribo International Service in English 1730 GMT 21 Jul 87

[Text] The authorities here have expelled the five persons who on Sunday evening arrived in Suriname saying they were Guadeloupians. The five landed at Zanderij Airport in a private airplane without permission claiming they were members of the Caribbean Revolutionary Alliance. They said to be wanted by the French authorities and requested political asylum in Suriname. The Ministry of Foreign Affairs here yesterday said the investigation did not show where the five came from or what their intentions were. It has informed the French charge d'affairs in Suriname of the matter. Yesterday's edition of the (DUVEST) newspaper communicated that the five have meanwhile left for Georgetown, Guyana.